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FINAL EDITION

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ITALY MAKES FIRST PUBLIC STATEMENT ON PRESENT CRISIS

FLOOD DISASTER IN AMERICA HUGE AREAS TOTALLY SUBMERGED 700,000 PEOPLE ISOLATED

Pittsburgh, To-day.
The disastrous floods in Western Pennsylvania have invaded Pittsburgh, flooding the famous downtown section known as the "Golden Triangle," and virtually isolating 700,000 people. The waters of the River Allegheny have risen to the unprecedented height of 44 feet.

Fires have added to the confusion, and fire-fighters are battling with water and flames in an effort to save the factories from destruction. The death toll is mounting every hour, and thousands of terror-stricken people in the metropolitan area have been rendered homeless.

Fires have broken out in factories at Etna and Lawrenceville following explosions caused by the flood waters. The oil tanks at the Waverly oil works, Lawrenceville, exploded with a deafening roar.

New York: The flood disaster is the worst of its kind in America in the past century. Thousands of square miles of the Eastern States have been submerged, the damage running into millions of dollars. At least 34 people are dead, of whom 12 are in Pennsylvania, which is the worst hit.

WORK RELIEF IN AMERICA

Huge Appropriations Asked For

PRESIDENT'S MESSAGE TO CONGRESS

Washington To-day.
President Roosevelt has asked Congress to appropriate \$1,500,000,000 for work relief during the next Governmental year, beginning on July 1. In a message to Congress President Roosevelt reviewed the unemployment situation, proposing that the new funds should go entirely to the works progress administration.

"The trend of re-employment is upward, but this trend, at the present rate of progress, is inadequate. I propose therefore that we ask private business to expand its operations so as to absorb an increasing number of unemployed. If the employment gains are substantial enough no additional appropriation will be necessary in 1937."

In requesting the \$1,500,000,000 President Roosevelt noted that over a billion would be spent from the Treasury prior to the appropriations, while the budget contained \$600,000,000 for various public works and the Civilian Conservation Corporation. Consequently the gross projected relief outlay would approximate \$3,100,000,000.

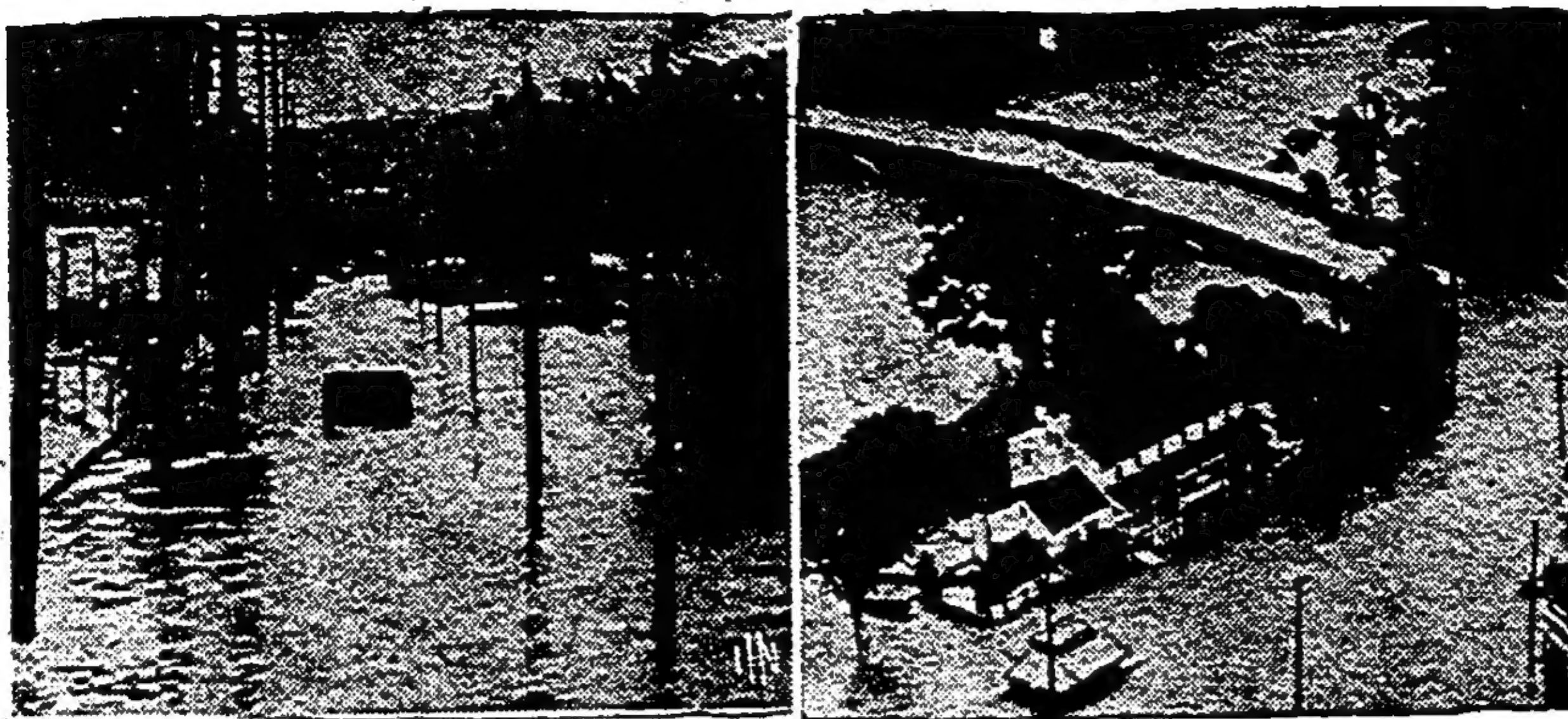
SIGNIFICANT STATEMENT
In appealing to business to take up employment President Roosevelt significantly said: "While the provisions of the (Continued on Page 12)

EXPLOSION ON DESTROYER

ONE KILLED AND 10 INJURED

London, To-day.
The Admiralty announces that while the destroyer Westcott was carrying out exercises in the Mediterranean an explosion occurred, resulting in the death of one able-bodied seaman. One warrant officer and nine ratings were injured, but are in no immediate danger.

The injured men were landed at Gibraltar and taken to hospital. Reuter's Bulletin Service.



Our pictures, taken on the occasion of the last serious floods in New York and Pennsylvania, give some idea of the widespread damage and inconvenience that can be caused by these visitations. The photograph on the left was taken at Manayunk when the Schuylkill River flowed out of its bounds, showing a truck trapped by the flood. The photograph on the right is an air view of a Collegeville hotel partly under water when Pennsylvania was last flooded.

PROTEST BY ITALY

ABYSSINIANS AMAZED

Military Action As "Inhuman Act"

HEAVY FIGHTING REPORTED

"CHINA MAIL" SPECIAL

Addis Ababa, To-day.
The Italian protest to the League of Nations, complaining that Abyssinian troops had attacked and decimated a troop of workmen making a military road and terming this an "inhuman act" infringing all the rules of warfare, has caused the greatest astonishment and indignation amongst officers and Government officials here.

"Abyssinia cannot understand why a military action, which they hold to be in accordance with the lawful custom, can be made the subject of a protest by the Italians, who since the beginning of the war have daily bombed open towns and villages, killing women and children, as well as bombing Red Cross ambulances and dressing stations."

"It was only on Tuesday," it is added, "that a Fokker plane belonging to the Swedish Red Cross was bombed by Italian aeroplanes from an altitude of 600 feet and badly damaged."

Messages from the north front report that heavy fighting is now in progress in the whole sector from Aksum to Makale, including the Tembien territory, and that by yesterday afternoon the situation of the Abyssinian forces, which are chiefly composed of Ras Kassa's troops, was extremely satisfactory.

HIDDEN PLANES BOMBED

Rome: The official war bulletin No. 158 states that two Abyssinian aeroplanes of the "Potez" type have been discovered by Italian airmen on the Ciolla Amadir plain, south of the Lake Ashangi, despite the fact that they had heavily camouflaged against observation.

Disregarding the violent fire from anti-aircraft guns, continues the report, the Italian pilots descended to a low altitude, from which they bombed and destroyed the enemy planes.

(Continued on Page 12)

FIRE AT POKFULAM

Three engines from the Central Fire Station answered a call from No. 213 Pokfulam Road this morning at about 9.45 a.m., but on arrival found that the disturbance, a small fire in the servants' quarters, was almost under control and only a few minutes were needed to eliminate any danger.

AMNESTY FOR LEADER OF SYRIAN REVOLT?

French High Commissioner To Make Plea

"CHINA MAIL" SPECIAL
Jerusalem, To-day. Before leaving for France, the French High Commissioner, M. de Marrel, promised to try and persuade President Lebrun to sign a decree of amnesty for the banished leader of the revolt of 1933, Druse.—Trans-Ocean Service.

ACCIDENT TO PLANE

Forced Down Among Mountains

SEVERE INJURIES TO ONE PASSENGER

"CHINA MAIL" SPECIAL

Vienna, To-day.
The passengers of the Vienna-Rome plane which was forced to make an emergency landing on the mountains of the Carinthian Alps, were brought to Eberstein Railway station by the rescue party yesterday, and from there to Klagenfurt. When medical services were obtained it was found that, contrary to the first reports, the injuries were more serious than had been supposed, one passenger, an Italian travelling businessman from Rome, suffering from concussion of the brain and head wounds and a broken jaw, the wireless operator from a broken leg, and the pilot and the mechanic from injuries to the limbs. The only person quite unhurt was the second passenger.

After being rescued from their precarious position, the party related that they had suffered agonies during the night spent in the dark in the smashed aeroplane, all huddled together for warmth and not knowing whether help was on the way.

All the injured were conveyed to the Klagenfurt infirmary for medical attention.—Trans-Ocean Service.

STOP PRESS

Shanghai, To-day.

Two Japanese officials have gone to Wenchow, Chekiang, to investigate the alleged anti-Japanese activities of the local authorities, who are stated to be blocking the efforts of Japanese shipowners to re-open stores which have been closed down since the Mukden incident.—Reuter.

SANCTIONS UNLIKELY

FRENCH STAND ALTERED?

Alleged Abandonment Of Demand

ORGANISED ACTION DEEMED IMPOSSIBLE

"CHINA MAIL" SPECIAL

Paris, To-day.
The only concrete development of the situation in London, as reported by the papers here, is that insofar as one can speak of a change in the French attitude at all, it is in the abandonment of the plan that sanctions should be applied against Germany. The French delegation clearly realises, in face of the opposition, not only by Britain but by a great many other States, the impossibility of organising any such action against Germany, states the press here.

Considerable space is devoted to the general outlines of the plan, which it is said the French delegation will put forward to settle the whole cluster of the Locarno problems, but whether it runs parallel to the British plan referred to in the English press or is entirely independent is not indicated.

M. Jules Sauerwein in the Paris Soir confirms that a change in the French attitude has taken place, declaring that the juridical, scruples and inner political allusions were dropped, so that the whole attention might now at last be concentrated on the problem of making Europe secure.—Trans-Ocean Service.

Hitler's Address At Koenigsberg

"I MUST STILL FIGHT FOR GERMANY"

Koenigsberg: The ancient East Prussian capital was in high spirits all day yesterday in anticipation of Herr Hitler's visit to address the nation on the outskirts of the Reich.

"I must still fight for Germany, not because I am ferocious, but because I am convinced that there is no other way," the Chancellor said.—(Continued on Page 12)

NAVAL PARLEY PROGRESS

London, To-day. — Excellent progress has been made with the drafting of the agreements reached at the Naval Conference and covering definitions and qualitative limitation, and hopes are entertained that the texts may be finally approved early next week.—British Wireless Service.

"EUROPEAN PEACE IS INDIVISIBLE"

NO PARTICIPATION IN SANCTIONS

LOCARNO UNITY MUST BE UPHELD

London, To-day.

After a brief luncheon adjournment the Locarno Committee resumed its search for a formula to circumvent the conflicting French and German viewpoints over the Rhineland occupation. As a temporary measure during the negotiations Britain proposed:—

- (1) A zone on both sides of the Franco-German frontier policed internationally, like the Saar during the plebiscite;
- (2) The reference of the Franco-Soviet Pact to the Hague Court for a ruling as to whether it has violated Locarno.

It is taken for granted that a western air pact will be included in the peace structure at subsequent negotiations, but at present it has not entered the picture.—Reuter's Bulletin Service.

London: The League Council met at 4 p.m. yesterday to discuss the Franco-Belgian motion condemning the German infringement of the treaties. Mr. Anthony Eden, British Foreign Secretary, reiterated that an incontestable breach of the Treaty of Versailles had occurred and it was therefore right for the Council to come to a similar conclusion and to convey it to the other signatories. The structure of confidence and security had been seriously shaken. How was it to be reconstructed? It could only be through a fuller understanding of the things foremost in the minds of each.

RELAXATION OF TENSION

"Notable Progress" Announced

OUTCOME OF LOCARNO CONFERENCE

London, To-day.

The Locarno Conference, which began at the Foreign Office at 10 a.m. yesterday, ended at 2.30 p.m. today. A communiqué states that it examined the draft general agreement, subject to reservation in certain items, which require further examination. Notable progress was made.

The Locarno Powers will meet again to-day to arrange the details, but nothing definite can be done before the meeting of the British Cabinet, and no decision will be taken without the approval of the French Government.

There was a very definite relaxation in the tension this morning.

THREE POINTS
Later: It is learned that three points in the draft agreement reached by the Locarno Powers are:—

- (1) There will be an appeal to The Hague Court for a decision with regard to the compatibility of the Franco-Soviet Pact with Locarno;
- (2) There will be a demilitarised zone only on the German side of the frontier, policed by an international force;
- (3) There will be agreement with regard to collaboration between the British and French General Staffs.

(Continued on Page 12)

NEW ATTORNEY GENERAL

Sir D. Somervell Appointed

London, To-day.

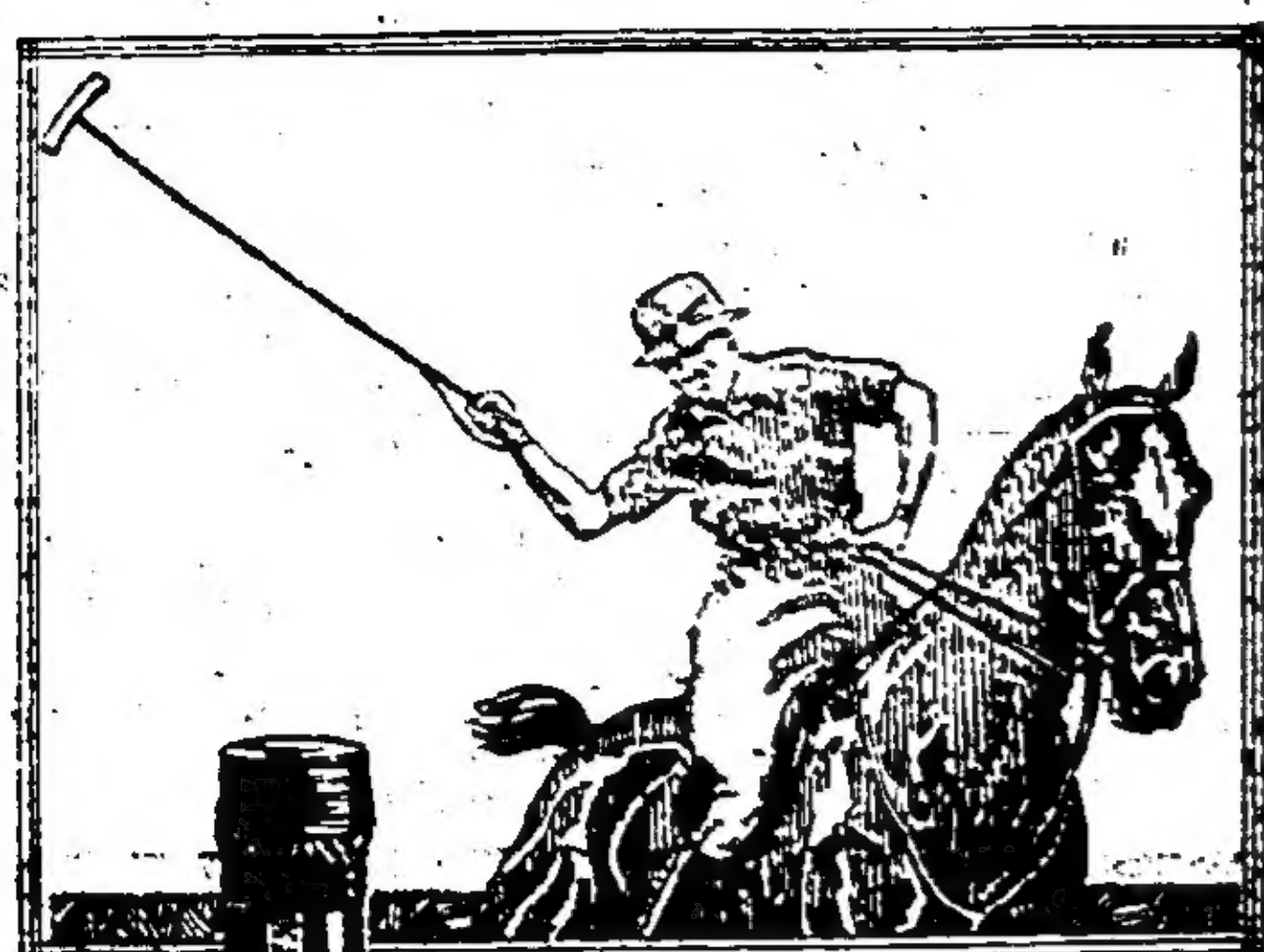
Sir Donald Somervell, O.B.E., K.C., has been appointed Attorney-General.—Reuter.

Sir Donald has been Unionist Member of Parliament for the Crewe Division of Cheshire since 1931 and Solicitor-General since 1933. He was educated at Harrow and Magdalen, Oxford.

the principle of the solidarity of the Western Powers.

He concluded: "European peace is indivisible, and the methods for preserving it must be indivisible, otherwise Europe will become an armed fortress."

(Continued on Page 3.)



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London, Last Night.

FIRST DIVISION	SECOND DIVISION
BIRMINGHAM v Derby	BLACKPOOL v Barnsley
Blackburn v Middlesbrough	BRADFORD v Port Vale
Chelsea v Aston Villa	BURY v Bradford C.
LEEDS v Portsmouth	DONCASTER v Plymouth
LIVERPOOL v Wolves	Leicester v Manchester U.
Manchester C. v Bolton	Norwich v Charlton
STOKE v Huddersfield	NOTTS F. v Hull
SUNDERLAND v Brentford	STHAMPTON v Burnley
W. BROMWICH v Preston	Swansea v TOTTENHAM
	W. HAM v Newcastle

CUP SEMI-FINAL
Grimby v ARSENAL (At Huddersfield)
FULHAM v Sheffield U. (At Wolverhampton)
SCOTTISH LEAGUE
AIRDRIE v Dunfermline
CLYDE v Hamilton
Dundee v CELTIC
Hibernian v Ayr
KILMARNOCK v Albion
MOTHERWELL v Third Lanark
PARTICK v Arbroath
Queen's Park v RANGERS
Queen's Park v Aberdeen
ST. J. STONE v Hearts
Teams in capital letters are favoured to win.
These fixtures are supplied by Reuter.

THIRD DIVISION (South)
Aldershot v Bournemouth
BRIGHTON v Southend
BRISTOL C. v Reading
COVENTRY v Notts C.
EXETER v Clapton
Millwall v Cardiff
NEWPORT v Bristol R.
QUEEN'S P.R. v Northampton
SWINDON v Luton
Torquay v GILLINGHAM
Watford v CRYSTAL P.

THIRD DIVISION (North)
Carlisle v LINCOLN
Darlington v CREWE
GATESHEAD v Accrington
HALIFAX v Stockport
Hartlepool v ROCHDALE
MANSFIELD v York
Oldham v Chesterfield
Rotherham v BARROW
TRANMERE v Southport
Walsall v CHESTER
WREXHAM v New Brighton

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Sporting Page



ARMY BEAT NAVY 2 TO 1 IN TRIANGULAR HOCKEY TOURNEY

S. CHINA "B" WIN

SAINTS PLAY WELL DESPITE BIG HANDICAP

Leonard Injured And Fernandes Sent Off

DRAW FAIRER RESULT

A very scrappy game between South China "B" and St. Joseph's in the premier division of the soccer league yesterday resulted in a win for South China by 2 goals to 1.

St. Joseph's were without the services of Leonard at centre-forward for most of the game—he retired shortly after the commencement with an injury to his hip, and an unfortunate incident resulted in Fernandes being sent off the field 15 minutes before the final whistle. Though St. Joseph's were left with only nine men a draw would have been a better result.

George Tsang opened the scoring for the Chinese within the first five minutes, though the shot would have been saved had U. Souza moved a little quicker.

Cheuk Shek-kam increased their lead with a well-directed kick from a centre by Yeung Po-hui. The Saints' half-back line were mainly responsible for the opportunities which their forwards failed to grasp, and perhaps the result would have been different had these three played in the inside positions.

St. Joseph's monopolised the play during the last five minutes and from 25 yards L. Souza completely beat Wong Wah-kai to decrease the arrears.

South China "B"—Wong Wah-kai; Yee Hing-yuen and Lee Kam; H. Young, Lam Tak-po and Yan Wah-hing; Yeung Po-hui, Lai Shiu-wing, G. Tsang, Cheuk Shek-kam and Yeung Shui-yick.

St. Joseph's—U. Souza; L. Souza and Costa; Woo, Hussain and Elms; Lee, Ward, Leonard, Joanhilo and Fernandes.

UNIVERSITY WIN

Blake Scores Decider Against S. China

In an uninteresting Second Division soccer game at Caroline Hill yesterday the University beat South China by a goal scored by Blake early in the second half.

The University were slightly the better team and had their forwards showed more steadiness in front of goal they would have won comfortably. Blake was the only forward who attempted any shooting, though the approach work of the other forwards was at times good. Ong and Lopes were safe at back, the latter being prominent with some hard kicking in the latter stages, while Lim dealt with the few shots he was called upon to save with confidence.

The Chinese were best served in defence by Chun Yung Chi-chin, centre-half, though he was inclined to hold on to the ball too long at times. Kam Sik-wai was the best of the forwards, one of his first-time efforts going very close.

After a goalless first half, Blake broke through on his own soon after the interval to beat Tang with a hard ground shot.

University—Lim; Ong and Lopes; Lee, Gore and Teoh; Tan, Liaw, Yang, Blake and Tang.

South China—Tang Sik-hing; Fung Choi-po and Cheng Pak-wing; Su Kit-man, Yung Chi-ching and Kwok Yau-lai; Lee Pui-ling, Tai Fui-tan, Li-sin, Kam Sik-wai and To Wing-hon.

EUNICE'S YACHTING WIN

The Sweepstake Race for Mixed Classes over a distance of 8.3 miles held by the Royal Hong Kong Yacht Club yesterday resulted in a win for Eunice (Mr. F. Anthon), who finished ahead of Lobo



Peter Fick, of the New York Athletic Club, is just a record breaker when it comes to swimming, even when he himself holds the mark. In an exhibition at Yale University pool to raise funds for the Olympics, Fick splashed his way to a new mark of 55.4 seconds for 100 metres.

NAVY WIN OVER LYEMUN

Roberts Scores Twice On Slippery Ground

GUNNER FORWARDS AT FAULT

(By "ROVER")

Adapting themselves better to the wretched weather conditions that prevailed at Causeway Bay yesterday the Navy beat Lyemun by 3 goals to 1 in their First Division soccer encounter.

Wolverson and Beard were never too sure in their clearances and if the Gunner forwards had followed up often they might have scored. Rose, the Navy inside-left, held on to the ball far too long and spoiled many good moves in consequence. He, however, improved in the second half and kept Trace well fed with passes.



The outstanding player in the Navy forward line was Roberts, who was speedy and who centred well, only to find the other forwards seldom up to receive the ball.

Durham Does Well
Durham, in the Gunners' goal, was good. He found the greasy ball tricky, but positioned himself well.

Huggins and Clancy, though hard pressed, kicked well, though the latter found Roberts and Baxter very fast at times.

The Artillery scored first through Nash but Roberts equalised for the Navy. In the second half, during a scrimmage in the goalmouth, Baxter netted, and before the final whistle Roberts beat Durham with a high shot.

Navy—Croucher; Beard and Wolverson; Tournock, Nicholson and Lobb; Roberts, Baxter, Cammell, Rose and Trace.
Lyemun—Durham; Huggins and Clancy; Taylor, Morton and Boyle; Nash, Macmillan, Knight, Sparkes and Wiers.

WILD CAT'S FINE FINISH

GOOD RIDING BY MR. DEITZ AND MR. LIANG

MIRACLE WILL BEAR WATCHING

(By "Rapier")

FEATURED by fine but dull weather, with the sun making a welcome appearance during the latter part of the day, and marked by a few upsets, the First Extra Race Meeting attracted a satisfactory attendance last Saturday. All the events were keenly contested, the outstanding performance of which was undoubtedly Wild Cat's (Mr. Liang) brilliant last quarter rush in the Tytam Handicap ("A" Division) which enabled him to win by a neck from the unbeaten Rose Evelyn. Mr. Liang displayed good judgment and determination, assisted by a generous application of the whip. Mr. Deitz's handling of King's Lead in the Hongkong Handicap ("B" Division) was also a noteworthy achievement.

Although somewhat firmer, the track was still on the soft side, and suffered again in consequence.

FATHER AND SON AS PARTNERS

RECREIO "B" BEAT FIRE BRIGADE

BADMINTON LEAGUE

E. L. Shute was partnered for the first time by his son, Kenneth Shute, in the Men's Doubles Badminton League last night, when Club de Recreio "B" defeated the Fire Brigade Recreation Club by 5 games to 4 at King's Park.

H. A. Barros and N. Beltrao were the only pair to win all their three games.

Detailed results of the match were as follows:—
A. E. Xavier and A. Remedios (Recreio "B")
lost to A. L. Fisher and J. L. Anderson 2-2
lost to G. Williams and L. D. Skinner 2-1
lost to E. L. Shute and K. Shute 3-2
A. Bastio and A. Alves (Recreio "B")
lost to Fisher and Anderson 1-2
beat Williams and Skinner 2-1
lost to Shute and Shute 1-2
H. A. Barros and N. Beltrao (Recreio "B")
beat Fisher and Anderson 2-2
beat Williams and Skinner 2-1
beat Shute and Shute 2-1

LEAGUE TABLE TO DATE
P. W. L. F. A. Pts.
Eliot Hall "A" 15 16 0 109 8 32
C. E. C. 13 14 4 107 40 28
Recreio "A" 13 12 1 89 19 24
St. Andrew's "A" 15 11 4 84 60 22
Eliot Hall "B" 16 11 5 83 45 22
Recreio "B" 13 10 3 69 39 20
Fire Brigade 17 8 9 63 78 16
St. John's 15 7 8 69 75 14
V.R.C. 14 3 11 38 79 6
Kowloon Tong 18 2 16 44 100 4
St. Andrew's "B" 18 2 16 30 97 2
S. and S. Home 17 1 16 20 134 2

Competing In International Soccer Cup

VINCENT COSTA, the St. Joseph's and Portugal left-back, left-half.

The following season, when the Saints were runners-up in the Senior League, Costa could not get a place in the half-back line, but was played on the left-wing, in

which position he met with varying success.

With the return of several Recreio players to their old Club the following year, Costa was able to go back to his old position.

This year he has again vacated this position in favour of Sinclair of the Royal Corps of Signals. He now plays at back and this position appears most suited to him, where his height and clean kicking are his greatest assets.

Costa has not figured in any representative games here, though he was given an Interport trial this season.

He was a member of the St. Joseph's Football team which went to Manila in 1933 and played for Portugal this year against England and Wales.

VINCENT COSTA



King's Bounty (Mr. Davis), which was sold for \$580 at yesterday's pony rump, is here shown beating King's Fancy (Mr. Heard), which was withdrawn from yesterday's auction, in the Wyndham Handicap on October 10, 1934.

\$580 FOR KING'S BOUNTY

LOW PRICES FEATURE FIRST PONY RUMP OF SEASON

OVER a hundred people attended the pony rump at the Hong Kong Jockey Club, Happy Valley, last evening when a number of well-known racers were offered for sale. King's Bounty, that grand campaigner which has won \$14,473 in stake money since he started racing in 1930, fetched the best price, Mr. K. W. Fung, the Novice rider, paying \$580 for him.

King's Fancy was withdrawn from the sale, while the gallant Sacko changed hands for \$360. Mayflower, Lion-Hunter, Tummel, Silver Streak, Southern Cross, and Popular Star were others that were also withdrawn from the sale.

The following were yesterday's sales:—
Name of Pony Price New Owner
Heart's Glory \$ 85 Mak Chai
Partnership 60 Mak Chai
Gold Jubilee 30 Mak Chai
Gold Eagle 110 W. T. Stanton
Merry Time 180 F. B. Williams
King's Bounty 580 K. W. Fung
Foxbridge 160 Yeung Wing-hong

Peter Davy 180 Capt. F. Clarke
Silver Lining 95 Mak Chai
Zenith 290 W. T. Stanton
Trojan 190 Professor W. I. Gerrard

Supercharge 150 E. L. Hosie
Canberra Girl 200 Professor W. I. Gerrard
Not So Dusty 100 Mak Chai
Devon 60 Mak Chai
Public Hero No. 1 170 Capt. T. B. Clarke

Gold Dragon 210 Dr. L. Reidy
Silver Fox 170 N. Bosanquet
Solar Star 95 Mak Chai
Saucy Face 260 H. C. Ph
What A Chance 270 Li Po-chun
Lancashire Loom 160 Capt. T. B. Clarke

Sacko 360 A. Bower
Ideal Bay 110 Mak Chai
Yellow Fish 110 Mak Chai
Able Warrior 160 Mak Chai
Gaga 80 Mak Chai
Lazy Lady 160 Limburg Shiu

TO-DAY'S TENNIS
GOSANO FAVOURED
But Milne Capable Of Big Things

PAUL KONG AND LAI SHOULD WIN WITH EASE

(By "BASE-LINE")
The First Round of the Colony Lawn Tennis Singles Championship will be concluded this afternoon when Capt. J. D. Milne, the Services' leading representative, meets A. V. Gosano, the Recreio champion.

Gosano is undoubtedly the steeper of the two, but Milne is capable of rising to great heights. On a wet court, however, I favour Gosano's chances, despite his comparatively weak returns.

In the only other Open event Paul Kong and Lai Kwong-tsun should encounter no difficulty against E. Buthurst and A. T. Lay.

To-day's programme, commencing at 4.45 p.m., is as follows:—
Open Singles (First Round)
Capt. J. D. Milne v A. V. Gosano

Open Doubles (First Round)
E. Buthurst and A. T. Lay v P. Kong and Lai Kwong-tsun

Club Handicap Singles (1st Round)
A. C. L. Bowker (scr.) v G. S. Gamble (-2/6)

A. K. Mackenzie (scr.) v Capt. Craig (-1/6)

L. G. Robertson (scr.) v W. Wooding (-2/6)

Club Handicap Doubles (1st Round)
P. Henry and D. A. O'Kieffe (-1/6) v E. B. and T. J. Price (-2/6)

J. N. Grace and J. Smalley (-4/6) v J. and G. Rodger (-4/6)

J. E. Richardson and E. F. Buttress (-2/6) v W. W. McKenna and D. S. Robb (-2/6)

very mediocre opposition. Poole and Henry played much better tennis than 6-0, 6-3 would indicate, but were beaten by patience and steadiness.

Lee made the great mistake of playing on Kwok's backhand and paid the penalty of his faulty tactics, Kwok showing remarkable control and accuracy on this hand, more so, in fact, than on his forehand. Not possessing a penetrating forehand drive, Lee depended solely on courtcraft to carry him through, and even this let him down—he continually advanced to the net after making a return to Kwok's backhand only to be as consistently passed with ease or forced into errors by deep lobbing.

Kwok, never hurried at any stage of the match, played steady tennis and should give Tsui Wai-pui many anxious moments when they meet in the Semi-Final.

In Tak-cheuk wasted no time with K. T. Kwik and S. A. Gray avenged an earlier defeat at the hands of Leong Ping-chiu, but not until after he had passed through a very trying period against a much steadier opponent.

A. V. Gosano and A. V. Remedios gave nothing away in their doubles encounter and the Lo brothers, 1920 champions, had an easy win in their opening match on a slippery court, however, they do not show their usual combination.

Pagh played a very aggressive game in his doubles match, but Conway's lack of sting in his shots proved too big a handicap against

LT. DAVIES BRILLIANT

LAST-MINUTE DECIDING GOAL BY M. AFSAR

LAL SINGH HELD IN CHECK

WILLIAMS SHOWS GLIMPSES OF BEST FORM

In one of the fastest hockey matches seen for many a long day, the Army beat the Navy by the odd goal in three in the Triangular Hockey Tournament on the Marina ground yesterday.

The Army, who were lucky to have won, have Mohamed Afsar to thank, for it was this player who flicked the ball into the net to give them victory a minute before the end, although the Navy thoroughly deserved to win on the run of play.

Fast and even exchanges were the order of the day with the Navy having slightly the better of what there was going. They played together like a team and it was in this department that they outshone their opponents. The best man on the field was, without the shadow of a doubt, Lt. Davies, the Navy right-half, whose spoiling and distribution was flawless. Indeed it was he who checked many threatening Army moves. Playing opposite him, Lal Singh, the brilliant Army and Interport left-winger appeared almost a novice.

(Continued on Page 5)
TABLE TO DATE

P W L D Pts.
Navy 4 2 2 0 4
Army 3 1 1 3
Club 3 1 1 3

EXCITING HOCKEY EXPECTED

India To Clash With Portugal

THREE CIVILIANS IN HOLDERS TEAM

(By "STICKS")
A thrilling hockey game is anticipated this afternoon on the Marina ground, weather permitting, when India will meet Portugal in their Semi-Final Round encounter. In the local international hockey tournament, and although the former are favourites, their entry into the final is by no means certain.

India entered the Semi-Final Round without meeting China, although they would have won the match under any circumstances, while Portugal were fully extended by Wales in their preliminary clash.

G. SINGH REPORTED NOT PLAYING TO-DAY

The China Mail learned from a reliable source this morning that Gurabachan Singh will not be playing in the India-Portugal match on the Marina ground this afternoon. G. Singh's place will be taken by Adalat Sar of the Punjab Regiment. This player will partner Lal Singh on the left wing while Awar Singh will be at inside right.

Portugal's strength lies in the defence, which is probably the finest in the tournament, with L. Oliveira, the brilliant University all-rounder, in the pivot position and supported on the flanks by Gonsalves and Beltrao.

(Continued on Page 5.)

ARGONAUTA ELEVEN

The following will represent the Argonauts hockey eleven against H.M.S. Parthian in the Mamak Tournament to-morrow on the Naval ground, King's Park, at 5.10 p.m.—

N. Faris, A. A. dos Remedios, E. Gosano, A. Silva, L. Oliveira, J. Gonsalves, F. Nolasco, B. Gosano, A. M. Xavier, A. S. Xavier and A. Angelo.

CLASSICAL RECORDS

J3178—Serenade (Tuselli)	Concert Orch.
Serenade (Schubert)	
J7343—Blue Danube (2FTS)	Sym. Orch.
J1626—Simple Aveu	Yvonne Curtis (Violin).
Serenade Tuselli	
J1750—Spring Song	Angelus Octet.
Nocturne (Chopin)	
J5050—Hungarian Dances	Halle Orch.
No. 5 & 6	
4284—Tales of Hoffmann	Squire Octet.
Salut d'Amour	
3470—Trauerlied	Squire Octet.
Humoresque	

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FOOTBALL FORM GUIDE

A COMPREHENSIVE guide to the form of all Clubs in the four premier English Football Leagues and the premier Scottish League will be found in the appended table. To assist in comparing the teams, details of how they have fared in their last five matches are given.

The letters W, L and D indicate matches won, lost and drawn, respectively. Games played at home are shown in capital letters, while away games are denoted by ordinary type. The figure in brackets denotes the position held by that team at the conclusion of last season, an asterisk denotes that that team has been promoted, and a dagger that that team has been relegated.

First Division		AWAY									
		P	P	W	L	D	F	A	Pts	Goals	Pts
Sheff. (2)	WLDW	32	17	14	1	2	28	18	38	16	7
Blackb. (16)	LDDW	33	16	10	1	2	25	10	27	17	6
Derby (6)	DDWL	33	18	11	3	4	44	14	25	15	6
Birmingham (19)	WWWD	32	16	8	3	5	29	17	21	16	5
Stoke (10)	WDLW	33	15	8	5	2	27	21	18	18	7
Arsenal (1)	WLWL	31	15	7	4	4	33	18	18	16	6
Man. C. (4)	LDWL	33	16	9	4	3	31	10	21	17	4
Preston (11)	DLWL	32	16	10	3	3	30	19	23	16	3
Liverpool (7)	DLWL	33	17	11	2	4	27	16	24	15	3
Wolves (17)	LDWL	33	17	11	2	4	27	16	24	15	3
W. B. (9)	DLWL	33	17	11	2	4	27	16	24	15	3
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W. B. (9)	DLWL	33	17	11	2	4	27	16	24	15	3
W. B. (9)	DLWL	33	17	11	2	4	27	16	24	15	3

Second Division		AWAY									
		P	P	W	L	D	F	A	Pts	Goals	Pts
Sheff. (2)	WLDW	33	17	14	1	2	28	18	38	16	7
Blackb. (16)	LDDW	33	16	10	1	2	25	10	27	17	6
Derby (6)	DDWL	33	18	11	3	4	44	14	25	15	6
Birmingham (19)	WWWD	32	16	8	3	5	29	17	21	16	5
Stoke (10)	WDLW	33	15	8	5	2	27	21	18	18	7
Arsenal (1)	WLWL	31	15	7	4	4	33	18	18	16	6
Man. C. (4)	LDWL	33	16	9	4	3	31	10	21	17	4
Preston (11)	DLWL	32	16	10	3	3	30	19	23	16	3
Liverpool (7)	DLWL	33	17	11	2	4	27	16	24	15	3
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W. B. (9)	DLWL	33	17	11	2	4	27	16	24	15	3
W. B. (9)	DLWL	33	17	11	2	4	27	16	24	15	3

Third Division (South)		AWAY									
		P	P	W	L	D	F	A	Pts	Goals	Pts
Sheff. (2)	WLDW	33	17	14	1	2	28	18	38	16	7
Blackb. (16)	LDDW	33	16	10	1	2	25	10	27	17	6
Derby (6)	DDWL	33	18	11	3	4	44	14	25	15	6
Birmingham (19)	WWWD	32	16	8	3	5	29	17	21	16	5
Stoke (10)	WDLW	33	15	8	5	2	27	21	18	18	7
Arsenal (1)	WLWL	31	15	7	4	4	33	18	18	16	6
Man. C. (4)	LDWL	33	16	9	4	3	31	10	21	17	4
Preston (11)	DLWL	32	16	10	3	3	30	19	23	16	3
Liverpool (7)	DLWL	33	17	11	2	4	27	16	24	15	3
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W. B. (9)	DLWL	33	17	11	2	4	27	16	24	15	3

EXCITING HOCKEY EXPECTED

(Continued from Page 4)

Souza is the best goalkeeper in the series without the shadow of a doubt, while Silva and E. L. Gosano have played together for the Argonauts in the full-back division.

Three Civilians
With the exception of M. Ramzan, in goal, Gurbachan Singh, at inside-right, and Awar Singh, at inside-left, the India team is made up from the Indian regiments in the Colony, and, as their standard of hockey is higher than that of the Portuguese, they are expected to meet England for a third time in the final.

Lal Singh, the Colony left-winger, will be partnered by Awar Singh, while Afsar Khan, the Army leader, will be at centre-forward. In Oliveira, however, whose stickwork and defensive tactics gained for him an Interport cap against the all-conquering Malayan side.

The Portuguese attack is a good one insofar as the right-wing partnership of Nolasco and B. by Club outside half, has signed Gosano and the left-winger A. Angelo are concerned, but Souza

and Pinto are likely to prove the weak links.

The game commences at 5 p.m. on the Marina ground, and the teams are:—

Portugal—U. B. Souza (Radio); A. Silva (Argonauts) and E. L. Gosano (University) (Captain); J. Gonsalves (Recreio); L. Oliveira (University) and N. Beltrao (Recreio); J. Nolasco (Argonauts); A. Angelo (Argonauts); J. M. Pinto (K.I.T.C.) and A. P. Souza (K.I.T.C.) and A. Angelo (Argonauts).

Reserves—N. Faria (Recreio) (Goalkeeper); A. A. dos Remedios (Recreio) (Full-back); J. Pereira (K.I.T.C.) (Half-back); and A. Alves (Argonauts) (Half-back).
India—M. Ramzan (K.I.T.C.); Khan Bahadur (Punjabis) and Kishan Singh (H.K.S.R.A.); Gurbachan Singh (Punjabis); Tara Singh (H. S. R. A.); and Awar Singh (Punjabis); Khuda Bux (H.K.S.R.A.); Gurbachan Singh (Radio); Afsar Khan (Punjabis); Awar Singh (K.I.T.C.) and Lal Singh (Punjabis).

BOWYER FOR SWINTON

Frank Bowyer, Pontypool Rugby Club outside half, has signed professional forms for Swinton Anglo are concerned, but Souza

Third Division (North)		AWAY									
		P	P	W	L	D	F	A	Pts	Goals	Pts
Sheff. (2)	WLDW	33	17	14	1	2	28	18	38	16	7
Blackb. (16)	LDDW	33	16	10	1	2	25	10	27	17	6
Derby (6)	DDWL	33	18	11	3	4	44	14	25	15	6
Birmingham (19)	WWWD	32	16	8	3	5	29	17	21	16	5
Stoke (10)	WDLW	33	15	8	5	2	27	21	18	18	7
Arsenal (1)	WLWL	31	15	7	4	4	33	18	18	16	6
Man. C. (4)	LDWL	33	16	9	4	3	31	10	21	17	4
Preston (11)	DLWL	32	16	10	3	3	30	19	23	16	3
Liverpool (7)	DLWL	33	17	11	2	4	27	16	24	15	3
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W. B. (9)	DLWL	33	17	11	2	4	27	16	24	15	3
W. B. (9)	DLWL	33	17	11	2	4	27	16	24	15	3

Scottish League		AWAY									
		P	P	W	L	D	F	A	Pts	Goals	Pts
Sheff. (2)	WLDW	33	17	14	1	2	28	18	38	16	7
Blackb. (16)	LDDW	33	16	10	1	2	25	10	27	17	6
Derby (6)	DDWL	33	18	11	3	4	44	14	25	15	6
Birmingham (19)	WWWD	32	16	8	3	5	29	17	21	16	5
Stoke (10)	WDLW	33	15	8	5	2	27	21	18	18	7
Arsenal (1)	WLWL	31	15	7	4	4	33	18	18	16	6
Man. C. (4)	LDWL	33	16	9	4	3	31	10	21	17	4
Preston (11)	DLWL	32	16	10	3	3	30	19	23	16	3
Liverpool (7)	DLWL	33	17	11	2	4	27	16	24	15	3
Wolves (17)	LDWL	33	17	11	2	4	27	16	24	15	3
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W. B. (9)	DLWL	33	17	11	2	4	27	16	24	15	3

LT. DAVIES BRILLIANT

(Continued from Page 4)

In the centre-half position for the Navy, Lt. Holland-Martin was good, while Lt. Howie, on the right wing, took the ball down in fine style on more than one occasion. Fl. Lieut. Lasc



WHITBREAD'S PALE ALE BRITAIN'S BEST BEER.

THE PRODUCT OF A BREWING
EXPERIENCE EXTENDING OVER
200 YEARS AND THE BIGGEST
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Hong Kong, Thursday, Mar. 19, 1936

The Proof Of The Pudding

The proof of the pudding, as the little boy in the story remarked, is not so much in the eating as in the way you feel afterwards. By this criterion Great Britain, as she looks back over her record since the gloomy days of the autumn of 1931, has good reason to thank her lucky stars for a number of things. The first of them is that semblance of democracy which enables her to escape the "godsend" of a dictatorship; the second is probably the circumstance, for which a heartfelt sigh of relief can be offered, that the country has escaped the tinkering experimentation of the faddists, cure-alls, quacks and "economic experts" who would all apply their own remedies for the country's ills. At various times a most bewildering array of panaceas has been offered, ranging from "Social Credit" through rationalisation, nationalisation and the A plus B theorem, to just plain grabbing of wealth from the "Haves" and re-distributing it among the "Have Nots." In the course of all this theory the whole system of capital—not capitalism, as the faddists call it—has come in for a great deal of criticism; the wisdom of Britain's abandonment of the gold standard has been derided to the high heavens; tariffs have been attacked; systems of protection derided and the early descent of the country into the Avernus freely predicted. The actual result is that the financial position of the country is sounder to-day than it has been for years. There has been no spectacular advance; but a steady recovery has marked the last accounts of Great Britain in an ever-ascending scale since the National Government took over in September 1931.

The latest returns issued show that the total ordinary revenue, excluding self-balancing items, with just over two more weeks before the end of the financial year, amounted to £709,719,376, as compared with £681,358,585 at the corresponding date of 1935 and with a budget estimate of £734,470,000. Compared with an estimated expenditure for the whole year of £755,058,000, the ordinary expenditure at the same date amounted to £710,063,292. The figures mean that the financial condition of the country is more than sound; it is almost phenomenally good in a world where unbalanced budgets are the rule rather than the exception.

A detailed analysis of one month's trade figures may not be out of place here. In the statement for January 1936, published recently by the Board of Trade, the activity in the manufacturing centres was reflected in an advance of £2,610,524 to £22,416,693 in imports of raw materials, compared with January 1935. The largest individual increase was under the heading "Wool, raw, waste and cotton rags," amounting to £668,394, while the other increases ranged from £108,318 for "Non-ferrous ores" to £602,240 for "Raw cotton and cotton waste." Among the export items, export of beverages and cocoa preparations rose by £287,850 to £1,047,287, while undressed hides and skins also showed a big increase, the total being £197,421 against £91,729. Exports of "Other textile materials," which include artificial silk, yarn and piece goods and linen goods, rose by £125,566 to £1,386,393. These figures were returned in

EXPLANATION OF TO-DAY'S CARTOON

Church In A Glass Case

AN interesting relic of old colonial days in Pennsylvania is the 200-year-old church at Hershey, enclosed within a glass-walled superstructure. The glass case is intended to preserve the building, along with its contents, as a relic of early days in America. The building is the original one used by the congregation of Derry Church, one of the first Christian settlements in Pennsylvania, and is of log and clapboard construction. Among other antique items, it contains a communion service presented by the King of England in 1783, and the pulpit of the original Derry Church, built in 1730.

CORRESPONDENCE

AN APPEAL FROM YORKSHIRE

[To the Editor, "China Mail"]

Sir.—The close business connections between the City of Hong Kong and Bradford have caused many former Bradfordians to settle in your district, and it may be of interest to them to know that the scheme for a new Grammar School is now well in hand and that building operations will definitely start this year. The School which is an ancient foundation dating back to the reign of Charles II is practically without endowments and receives no grant from the Corporation. The present building is dingy, cramped and altogether unworthy of an institution which has sent its sons to occupy prominent positions, especially in the Wool Industry, in most countries of the world. £140,000 is needed to carry out our plans, and of this amount about £100,000 has already been raised thanks largely to the generosity of Mr. H. P. Price, who recently gave £20,000 to the Building Fund. This letter is written in the hope that it may meet the eye of some Bradfordian whose affection for his native city may prompt him to share in the task of raising the remaining £40,000 and thus identify himself with a Scheme which will influence the lives of many generations of Yorkshire boys in the future.

D. HAMILTON,
Chairman, Building Appeal
Committee.
Bradford, February 18, 1936.

spite of the operation of sanctions against Italy, which accounted for prodigious drops in both the import and export figures. Imports of textiles, for instance, dropped from £84,777 in January 1935 to nil; exports of coal dropped from 416,800 tons to 11,227; iron and steel from £23,044 to £4; various foods from £29,038 to £1,730.

The whole position seems to be a reflection of increased activity in manufactures and trade, coupled with an increased purchasing power among the population—an increased turnover in work and money, in short. There is more work available in Britain than there was a year ago, and there are more people participating in it. This is surely something for the country at large to be proud of. Nobody in his senses suggests that everything is right in the best of all possible worlds in England, or that our system is inviolable and unchanging in its perfection. But there is obvious evidence that it is working reasonably satisfactorily. There is not the slightest shred of evidence that the other political and economic systems being tried out in other parts of the world have anything like the stability of ours to offer. One is safe in saying this, even to ignore the social factor completely. Actually, of course, general conditions of life and work in Britain are almost fantastically Utopian, compared with those obtaining in Russia and Italy, for example. In short, the proof of the pudding is not so much in the eating as in the way you feel afterwards. And Britain has a perfect right to feel good.

Here There and Everywhere.

THE TRADE OF BOOKS

Mr. Ted Weeks, editor-in-chief of the *Atlantic Monthly*, has written a book entitled "This Trade of Writing."

It deals, among other things, with publishers' profits and authors' earnings. Mr. Weeks gives figures showing the effect of the depression on the publishing business in the United States.

In 1929 American publishers sold 84,000,000 books to the general reader. From 1929 to 1933 the volume of copies distributed shrank as follows: Fiction 55 per cent, children's books 38 per cent, biography 47 per cent, fine arts books 70 per cent and religious books 61 per cent.

Perhaps as a direct result of depression books on sociology and economics showed an advance of 40 per cent.

AUTHORS' EARNINGS

Mr. Weeks's figures of authors' earnings will destroy some budding hopes.

A few writers, perhaps one per cent of their tribe, he says, earn approximately £15,000 a year. Twelve per cent of the writing profession may earn £3,000. The remaining 87 per cent range between £160 and £1,000.

In 1934 there were 15 authors whose books sold 50,000 or more copies in the United States. Some of these were Book of the Month Club selections.

Mr. Weeks gives a best-sellers' list of books published in America between 1933 and 1934. The first three in the list are Sheldon's "In His Steps" (8,000,000 copies), Gene Stratton Porter's "Freckles" (2,000,000) and Wallace's "Ben Hur" (1,950,000).

Your Daily Smile!

Confidence
"Mother, have I been a good boy lately?"
"Yes, Bobby, you have been a very good boy."
"And do you trust me, mother?"
"Why, of course, I trust you, son."
"Then why do you go on hiding the jam?"

Really!
A keen golfer had a charming girl on his right at dinner, and gave her graphic descriptions of his achievements with the clubs, hardly allowing her time to say more than "Really!"
During the dessert he remarked:

ROSY PROSPECTS IN ENGLAND

PRESENT TRADE BOOM WILL CONTINUE

GREAT ERA OF PROSPERITY LOOMS AHEAD FOR BRITAIN

(By Brampton Fellowes)

TIMIDITY is the foe of prosperity.

In commerce, caution is the first virtue; but caution is not incompatible with courage.

At this time the British people have a cue to courage to which every business man and every private citizen should respond wholeheartedly.

The end of 1935 saw the recovery, which began late in 1934, mounting steadily to a boom.

Foreign complications became something of a worry to statesmen. The lamented death of King George saddened the spirits of the nations. An unauthorised strike among London meat workers and a narrowly averted stoppage in the coalfields further frightened timid souls. But actually the prospect at this moment is rosy.

Uncommonly Good

The overseas trade figures for last year sent us well back to the heights after our years in the depression.

When our invisible exports—payments for shipping, insurance, and other services, and the returns on our foreign investments—are calculated for 1935 they will be found, all experts agree, to be uncommonly good.

And behind these cheering factors is the continuance of a boom in home industry that will be sustained.

Pessimists may say that the boom in private building must soon approach its apex. It may be so, but whatever diminution there is in private building will be more than counteracted by the increase in public expenditure on building.

State-aided road and rail schemes and municipal extensions will far more than com-

pensate for the lag in dwelling-house building.

Building Enterprise
Some £30,000,000 of building projects have been recently approved.

Aircraft and motor factories are planning big extensions. Hospitals and sanatoria, under our new conceptions of the needs of public health, are re-conditioning and expanding. Raising the school-leaving age means more accommodation for scholars. Docks are being enlarged and converted to defence use.

All this means more building. It means, indeed, more than more building, it means growing demands for the products of furnishing, caterers, tobacco manufacturers, garment makers, brewers, distillers, leather manufacturers, boot and shoe makers, and the thousand ancillary trades that serve the industrialists.

When the January figures showed a fall in employment deeper than expected, the Dismal Jimmies began to wring their hands. The explanation was simple. A severe winter, erratic weather, with rain and cold predominating, must slow down outdoor works. The spring will change all that.

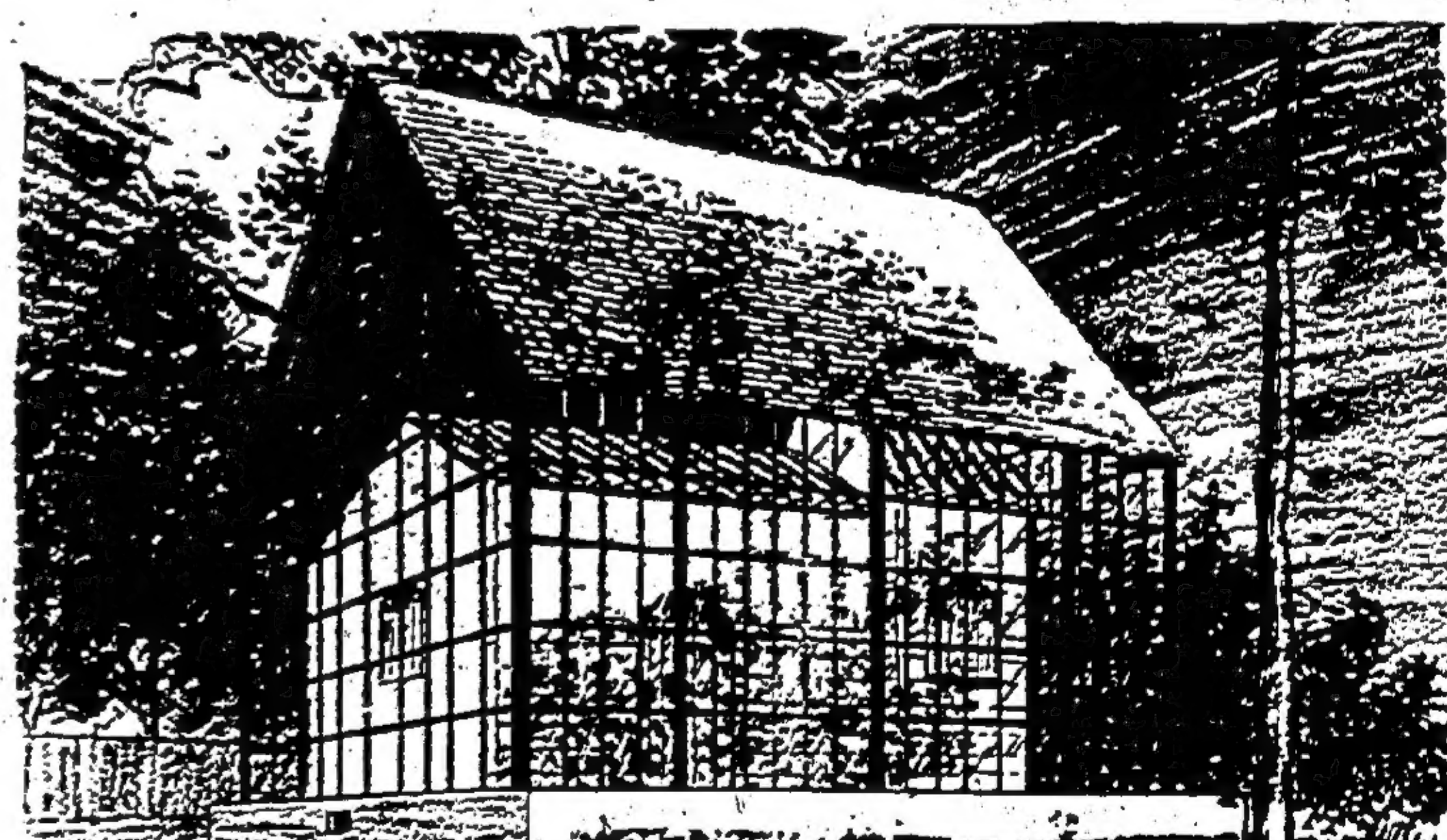
Money Circulates
In addition to the large sums granted for rail and road development, the State will shortly be paying out £3,000,000 or £4,000,000 a week for armaments.

Those who bemoan this as a deadweight on the taxpayer forget that by the system of taxation under which we live that expenditure is largely returnable. High income tax and indirect taxes make the money circulate like water in a whirlpool.

We are not living under the simple fiscal systems of Pitt and Gladstone. The whole effect of Government expenditure has changed.

(Continued On Page 10)

"BELIEVE IT OR NOT" by Robert L. Ripley



CHURCH IN A GLASS CASE

THE 200-YEAR-OLD COLONIAL CHURCH
AT HERSHEY PA. IS PRESERVED UNDER GLASS



THE
BOY
WHO
IS A
MAN

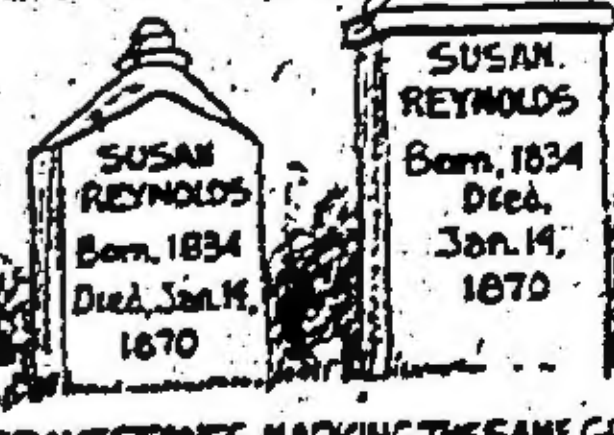
Myedeth Kirby of Baltimore REACHED MATURITY AND GREW A MOUSTACHE AT THE AGE OF 3



GELSY
GARBY—Long Island, N.Y.
ACCIDENTALLY SHOT 24 YEARS AGO
STILL HAS 200 LEADEN PELLETS
IN HIS HEAD

COW FOR SALE
SLIGHTLY USED 1931 JERSEY
HAYBURNER, HORNLESS AND IN
WONDERFUL RUNNING CONDITION.
HITS ON ALL FOUR, SELF-FILLING
RADIATOR WITH 4 GOOD FAUCETS
D.M. LANGFORTH
NEW HAVEN DISTRICT

NEWSPAPER
ADVERTISEMENT
GRANTS FREE OF



TWO GRAVESTONES MARKING THE SAME GRAVE
EACH BEARING IDENTICAL LETTERING
—Durand, Okla.

VIOLENT ATTACKS ON HIGH COST OF LOCAL CIVIL SERVICE

IMPOSING ARRAY OF FACTS "GOVT. MUST CUT COAT ACCORDING TO CLOTH" IMMEDIATE RETRENCHMENT URGED

Various proposals of a far-reaching nature, designed to influence the Government to cut its coat according to its cloth in the matter of the local civil services and said to be unanimously supported by the Unofficial Members, were included in the speech by the Hon. Mr. M. K. Lo in introducing his motion before the Legislative Council this afternoon "that in the opinion of this Council the Colony cannot afford to maintain so large and costly a Civil Service as now exists, and that the Government should take immediate steps to effect all possible retrenchments in the same."

Mr. Lo marshalled an imposing array of facts in support of his contention, his main point being that far too many civil servants are engaged at expensive sterling salaries when their positions might be filled without loss of efficiency by locally-engaged men on dollar salaries.

The motion was supported by a strong speech by the Senior Unofficial Member of the Council, the Hon. Sir Henry Pollock, in which the speaker deplored the fact that the Government, in framing its budget, had omitted to fix exchange forward for all its sterling commitments for 1936.

In introducing his motion the Hon. Mr. Lo said:—

"Your Excellency.—In rising to move the Motion which stands in my name, I crave that indulgence of this Council which I know will be accorded to a new member attempting his maiden speech, and this indulgence is all the more necessary because I fear I will have to take up some 20 minutes of this Council's valuable time in saying what I desire to say in support of this Motion."

"The view asserted by the terms of my Motion is that the Colony cannot afford to maintain the existing Civil Service, and I will at once proceed to set out shortly the grounds on which this view is based."

"It might have been thought at one time that one of the alleged differences between public and private finance is that, whilst in private finance outlay must be gauged and conditioned by income, in public finance the reverse is the case, in that after the expenditures are fixed it is the duty of the Legislature to provide the revenues. But this alleged difference is generally regarded as illusory and unsound because the State, like the individual, must in the long run cut its coat according to its cloth, and persistent violation of this principle must eventually entail the same consequences, alike for State and individual. I unhesitatingly accept the validity of this principle."

Present Position
"What, then, is the present financial position of the Colony?"

"The Hon. Mr. N. L. Smith, Acting Colonial Secretary, in the course of his extremely able and lucid Budget speech on September 12, 1935, after stating that it was anticipated that the estimated revenue for 1936 would be about a million and a half behind the 1935 revised figures, summed up the position as follows:—

As a result of all these economies the gap between Revenue and Expenditure has been considerably reduced but with the dollar rate taken at 1/8d. which seems a prudent figure, there will still be a deficit, after allowing for the surplus balances as mentioned, of about \$330,000. The exact figures are Revenue \$26,671,845 plus Surplus Balances (in excess of \$10,000,000) \$2,095,789—total \$28,767,634; Expenditure \$29,598,143.

"Pausing here I should like to state that, in my humble opinion, the normal revenue of just over \$26,500,000 must be regarded as representing the cloth according to which the Government must cut its coat, for I do most respectfully agree with the views recently expressed as to the inability of the Colony to stand the strain of extra taxation, and particularly by Dr. R. H. Kotewall, who spoke in the last Budget Debate as the Senior Unofficial Chinese Member of this Council, that the Colony is already taxed to capacity, if not beyond it, and any new tax-burdens may be the last straw."

Normal Figure
"I therefore take the figure of \$26,671,845 as representing the

approximately \$23,500,000 'available expenditure' (of which nearly \$3,500,000 is earmarked for Public Works Extraordinary), the sum of over \$14,000,000 is spent on salaries; in other words, 60 per cent is spent on salaries, leaving the sum of just over \$9,500,000 to cover the whole cost of Civil Administration, including Social Services and the thousand and one items of essential public expenditure."

"Need I say more to show that the existing Civil Service is too costly for the Colony to bear? Is it an exaggeration of language to say that, unless this crushing burden of salaries is substantially reduced, all hopes of effecting substantial improvements in the Colony must indefinitely be relegated to the realm of fanciful dreams?"

Intention To Retrench
"I am aware that the Government has, year after year, expressed its intention to retrench. For instance, during the Budget Debate in 1931 His Excellency Sir William Peel said:—

"When I came here, I was impressed by the large number of European staff, particularly in the subordinate grades. Steps are being taken to replace some of these gradually by local officers, though it is a step which must be taken with caution. The Government is ready to give local recruits every chance, and it will be for them to prove that such confidence is not misplaced. This policy can only be followed if local recruits prove that they possess the necessary integrity and efficiency. If they fail to do this, they and the Colony cannot complain if we have to revert to the system which has obtained hitherto. The matter lies in their hands. (Hansard, page 191)."

In the Budget Debate in 1934 His Excellency Sir William Peel said:—

"We are, however, carrying out a scheme of a local branch of the Senior Clerical and Accounting Staff and are endeavouring to train local sanitary inspectors. Further, I hope that it may be possible to train local nursing sisters and so reduce the large number of sisters recruited from England. I propose to go into this question with my Honourable friend, the Director of Medical and Sanitary Services. (Hansard, page 187)."

Policy Accepted
In the Budget Debate in 1935 the Hon. the Acting Colonial Secretary said:—

"The Government has fully and frankly accepted that policy of replacing wherever possible European by Asiatic employees, but it must be evident that such a policy can show its full effect only gradually. (Hansard, page 201)."

And, yet, what is the actual result? I must confess that if any result has been achieved it is so disappointingly small that I am quite unable to discern it! In his answers to my questions on January 16, 1936, the Hon. the Colonial Secretary stated that the number of European Civil Servants employed rose from 647 in 1923, to 975 in 1935; that as regards the European Senior Clerical and Accounting Staff the same rose from 24 in 1923, to 63 in 1935 and that 52 additional Europeans have been employed since the date of the Retrenchment Commission Report in 1931.

What Actual Steps?
"May I respectfully ask what actual steps have been taken by the Government to give effect to that policy, so fully and frankly accepted by the Government, of replacing wherever possible European by Asiatic employees? In this connection I would like to bring forward a case which happened to come to my knowledge a few weeks ago. A certain Chinese from Canton recently saw me in connection with his application for the post of Assistant Government Analyst, which was then vacant. His qualifications and references were 'unexceptionable'. He duly sent in his application, but later he understood that a Sterling man from England had just embarked to fill this post."

"What steps did the Government take to find a suitable man locally to fill this post before resorting to engaging a new man in England? I do respectfully press for an answer to this question, not in the interests of this particular applicant—indeed, he was quite unknown to me—but because it would show the nature of the effort which the Government is stated to be making in carrying out the policy of reducing the number of Sterling paid men in the financial interests of the Colony."

Nursing Sisters
"With reference to the statement of His Excellency Sir William Peel, already quoted above, approximately \$23,500,000 'available expenditure' (of which nearly \$3,500,000 is earmarked for Public Works Extraordinary), the sum of over \$14,000,000 is spent on salaries; in other words, 60 per cent is spent on salaries, leaving the sum of just over \$9,500,000 to cover the whole cost of Civil Administration, including Social Services and the thousand and one items of essential public expenditure."

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The Hon. Mr. M. K. Lo, above, made a slashing attack this afternoon on the Government's policy of engaging expensive sterling-salaried men in the civil services, when local men might be engaged without loss of efficiency.

can the Colony afford it?
"To what extent are the increased Hospital and other Medical facilities offered by Government made use of by those who can afford to pay reasonable charges for the same? And, to the extent indicated above, are not such facilities merely competitive with those offered by private practitioners? I venture to suggest that questions such as those indicated above should engage the immediate attention of the Government."

Police Forces And Pensions

"Again, I yield to none in my admiration and respect for the Police Force, but are all the numerous Assistant Superintendents of Police really necessary? I should very much like to know how many Assistant Superintendents we had, say, 15 years ago."

"Then, look at the Pension figures. The amount of Pensions paid in a year rose from \$503,000 odd in 1924, to the sum of \$1,810,000 in the Estimates for 1936. I do not know whether the Government has ever obtained actuarial assistance in computing the potential liability of the Colony for Pensions in respect of the existing Civil Establishment, but I shudder to think what this figure will be, say, in 10 years' time, as the Pensions payable already amount to nearly \$2,000,000 a year!"

"In my submission what the Government should do is to attempt to tackle the present financial position by business methods: in other words, by taking stock of the whole financial position and adjusting its expenditure in relation to its income, or probable income, for the present, and the years to come. To introduce the wholesale reduction in the salaries of civil servants avowedly as a temporary measure is at best a makeshift arrangement which cannot afford a final solution."

Limits Of Capacity

"It may well be that too sudden or too drastic a reduction in personnel must necessarily impair to some extent the existing high efficiency of the Administration. But just as it would be suicidal for a business concern to strive to attain the ideal of efficiency without taking due heed of bankruptcy, so I submit Government must restrict its cost of Administration within the limits of the Colony's capacity to pay."

"I submit therefore that the Government should not engage any more persons on a Sterling basis without consulting this Council; that no vacancy should be filled without similar consultation; that facilities be given to all officers recently recruited and not absolutely indispensable to leave the Service without subjecting the Colony to any liability to pensions, and that a real effort be made to utilise local talent, such as qualified doctors from the University of Hong Kong, etc. But in this connection I would like to make one suggestion."

Some Particular Posts

"I understand that the present holder of the position of Secretary to the Hon. the Director of Public Works draws over £1,000 a year. I gladly concede this gentleman's exceptional ability and that he is worth this pay. But the point is: Is it really necessary to employ such a high salaryed man for this post? I may remark that this salary is higher than that now paid to many experienced professional men in the Service, such as doctors and solicitors."

"Is it a fact that a Sterling man is employed as Librarian of the Library at the C.S.O., and if so, is this necessary?"

"Is it really necessary to have so many Europeans on Sterling basis on the staff of the C.S.O.? or, with so many Cadet Officers in that Office, to have a Chief Clerk at a salary of £1,050?"

"Can we really afford to have a special Sterling officer as Official Anaesthetist who, I understand, will shortly join the Medical Department? Surely it would have been much more economical to have engaged a doctor graduated from the University of Hong Kong, and to have sent him to undergo a special course of training in Anaesthetics in Europe."

Medical Department

"The published figures show that the expenses of the Medical Department rose from \$502,000 odd in 1924, to \$1,505,264 in 1934, and to \$1,651,578 in the Estimates for 1936, of which \$1,160,634 represent personal emoluments. No one can possibly have a higher admiration than I have for the services rendered by my Honourable friend the D.M.S.S., but apart from matters like the Children's Clinic, Venereal Clinics, Medical Services in the New Territories, are the medical facilities and the general medical and public health standard in the Colony improved to such an extent as to merit an extra annual expenditure of over a million dollars when the figures for 1924 and 1936 are compared? In any case,



The Senior Unofficial Member of the Legislative Council, Sir Henry Pollock, above, supported the Hon. Mr. M. K. Lo's motion at the Council meeting this afternoon for a drastic reduction in the Hong Kong civil services.

be confused."

Grossly Overpaid

"To my mind the Civil Service is not only overstaffed, but in many individual cases grossly overpaid. I feel that until this fundamental defect in Administration has been remedied, it is a matter for regret that it should be necessary to call upon all the civil servants to bear a sacrifice which, no doubt, works great hardship in individual cases. And this regret is all the greater when we reflect that this necessity would not have arisen this year if the Government had only acceded to the unanimous and urgent businesslike request of the unofficial members—about which I understand my Honourable friend, the Senior Unofficial Member, will speak—to fix Exchange forward for all the 1936 Sterling commitments. Moreover, until this defect is remedied the Government obviously is not in position to find the necessary money for various necessary projects. For instance, malaria is still rampant in the Colony, and I would like to see half a million, or even a million, dollars devoted in one year to eradicating this disease. But salaries having absorbed over \$14,000,000, where is the money to come from?"

"I apologise for the time I have taken up this afternoon."

"I beg to move the Motion standing in my name, and respectfully commend it to the consideration of this Council."

Exclusion Should Cease

"We urge strongly that such exclusion should be abolished. We have been informed that it is part of the policy of the Honourable the Director of Medical and Sanitary Services for the Government to take over (at the expense of the tax-payers) all the Medical Services of this Colony and to drive eventually the private practitioners out of business by the Government competing with them. We shall be glad to learn from Dr. Wellington, as a Member of this Council, whether our above information is substantially correct."

Sir Henry Pollock's Speech

UNANIMOUS SUPPORT OF UNOFFICIALS

In seconding the motion the Hon. Sir Henry Pollock, Senior Unofficial Member, said:—

"Your Excellency,—I have much pleasure in seconding this motion, which has the unanimous support of the Unofficial Members."

"My Honourable friend, Mr. M. K. Lo, is to be congratulated upon the trouble which he has taken in looking up and presenting to this Council the illuminating figures which he has just laid before us in regard to the very large expenditure of this Colony upon the salaries and pensions of Civil Servants."

"This heavy burden demands the serious attention of the Government at the present time when a marked trade depression synchronises with an unbalanced Budget."

"In my Budget speech, on October 3 last, speaking on behalf of all the Unofficial Members, I said (see Hansard 1935, p. 180):—

"Regarding retrenchment we are glad to learn that the Government is carefully considering whether it is necessary to fill up Posts as vacancies occur. Our Staff of Civil Servants is a very large one, even after making the fullest allowance for the fact that the Government has also to perform the duties of a Municipality. Indeed it is considered by some that we have too many Regulations in this Colony and too large a staff of Subordinate Officers fussing about and worrying people regarding the meticulous observance of the Regulations. Also the prevalent notion that Police Officers and Sanitary Inspectors acquire merit by prosecuting people is apt to render the Government unpopular and to make the man in the street consider that we could do with fewer of such Officers."

"In the same debate my Honourable friend, Sir William Shenton, recommended (Hansard P. 188) 'a careful survey of every branch of the Government service with a view to effecting substantial economies.'"

Free Medical Service

"In the course of his speech, in support of the motion now before the Council, the mover indicated

certain directions in which he suggests that economies might be effected in various Departments, and I would like to add some remarks with which my Unofficial colleagues are in general agreement."

"Firstly, in regard to the Medical Department, I notice (at pages 30 and 31 of the Staff List which has recently been printed and sent by the Government to the Unofficial Members) that no less than seven out of the 10 European Medical Officers, connected with the Hospital Division of the Medical Department, with salaries rising from £700 to £1,180 per annum, have been appointed since January, 1, 1930. I conjecture that part of that large increase in the Hospital Medical Staff is owing to the Government having, about five years ago, given to all Civil Servants, right up to the Governor, the privilege of free Government Medical attendance in their own homes."

"That privilege was formerly confined to subordinate officers, whilst the senior officers had to resort to and pay for the services of Doctors in private firms. In this connection I have been informed that the fees received by one private firm of Doctors from Senior Civil Servants in the year 1931 amounted to \$9,141, but have, in the year 1935, fallen to \$2,107. Whilst private practitioners are being hard hit by the above new policy of the Government, which occasions increased expense to the tax-payers of this Colony for salary, housing, leave-pay, and pensions, and, therefore, ought as a new policy to have been submitted to this Council for its approval, those practitioners are rigidly, and, as we think, wrongly, excluded from every part of the Government Hospitals, except the Maternity wards of the Victoria and Kowloon Hospitals, and thus are debarred, in the majority of cases, from attending upon those of their patients who go into Government Hospitals."

"We urge strongly that such exclusion should be abolished. We have been informed that it is part of the policy of the Honourable the Director of Medical and Sanitary Services for the Government to take over (at the expense of the tax-payers) all the Medical Services of this Colony and to drive eventually the private practitioners out of business by the Government competing with them. We shall be glad to learn from Dr. Wellington, as a Member of this Council, whether our above information is substantially correct."

"Surely it would be possible for the Government to arrange for contracts with a firm of doctors, as is done by business people now, and to save public money by so doing; the choice of doctors to be left to patients to decide."

"Of course, it is conceded that, owing to the increase, during recent years, of accommodation at the Kowloon Hospital, some increase in the Government Hospital Medical staff was necessary, but we contend that such increase certainly did not justify the engagement of so many as seven additional European Doctors in the Hospital Division of the Medical Department."

Queen Mary Hospital
"In the course of his Budget speech of September 12 last, the Acting Colonial Secretary said (see Hansard 1935, p. 166):—

"No provision, apart from one sex amah, has been made for the extra staff that will be required for the new Queen Mary Hospital, as the Hospital will not be ready until 1937."

"In this connection it is suggested, firstly, that a good deal of the time of the present Government Medical Officers could be saved, if people, who now go to Government Hospitals (which are paid for by the public and should be open to private practitioners) for treatment or operations but can afford to pay a private practitioner for treatment or operations, be allowed to be attended there by private practitioners, and secondly, that, if any increase of the Government Hospital Staff is found to be necessary in order to staff the Queen Mary Hospital, considerable economy could be effected by the Government engaging medical graduates of the Hong Kong University on dollar salaries instead of engaging Medical Officers from Britain on expensive sterling salaries."

Free Medical Service
"In the course of his speech, in support of the motion now before the Council, the mover indicated

(Continued On Page 11)

FIRE INSURANCE
CO., LTD.DIVIDEND OF \$11
PER SHARE

GENERAL MANAGERS' REPORT

In the Report of the General Managers and Consulting Committee of the Hong Kong Fire Insurance Co., Ltd., which will be presented at the forthcoming meeting on Friday next, it is stated that the 1934 account shows a surplus of \$862,910.82, and it is recommended that this sum be appropriated as follows:—

To pay a Dividend of \$11 per share	\$440,000.00
To add to Investment and Exchange Fluctuation Account	100,000.00
To add to Reinsurance Fund	122,910.82

The balance at the credit of the 1935 Account is \$733,116.76.

CHARTERED BANK TO
PAY DIVIDEND

At the Annual Meeting of Shareholders of the Chartered Bank of India, Australia and China, the Directors will recommend a final dividend at the rate of 14 per cent. per annum, subject to income-tax, £50,000 will be added to the Pension Fund; £25,000 written off the Premises Account; and £181,037 16s. 1d. carried forward, according to a telegram received by the local office of the Bank from the head office in London.

COLONY'S TRADE

Official Statistics For
Imports And Exports

An interim report issued by the Statistical Office of the Imports and Exports Department on the trade of the Colony for February, 1936, states that imports of merchandise amounted to a total of \$30.3 millions (£2.0 millions), as compared with \$28.8 millions (£2.6 millions) in February, 1935: a dollar increase of 5.2 per cent. and a sterling decrease of 23.1 per cent.; whilst exports totalled \$24.9 millions (£1.6 millions), as compared with \$20.6 millions (£1.8 millions): a dollar increase of 20.9 per cent. and a sterling decrease of 11.1 per cent.

Total imports during the first two months of the year 1936 amounted to \$64.1 millions (£4.1 millions) as compared with \$63.1 millions (£3.5 millions) in the corresponding period of 1935; whilst exports amounted to \$48.5 millions (£3.1 millions) as compared with \$47.4 millions (£4.2 millions).

In terms of local currency imports increased by 1.6 per cent. in period of 1936 as compared with the first two months of 1935 as compared with the corresponding period of 1935, and exports increased by 2.3 per cent.; whilst sterling values showed decreases of 26.8 per cent. in the case of imports, and 26.2 per cent. in the case of exports.

WEATHER REPORT

The anti-cyclone has decreased slightly in intensity and has spread southward. Pressure is highest over Shantung, and is relatively low over Indo-China. South-east winds, fresh; cloudy with drizzle or mist, probably improving later, was the forecast for to-day, as issued by the Royal Observatory this morning.

The s.s. Sirdhana will leave for Shanghai via ports to-morrow morning at 7 o'clock.

DAIRY FARM
MEETING
HIGHEST STANDARD OF
MILK PURITY
PROUD RECORD ACHIEVED

SPECIAL reference was made in his speech at the annual general meeting of the Dairy Farm, Ice and Cold Storage Co., Ltd., to-day by the Chairman, Mr. S. H. Dodwell, to the fact that the company now boasts an entirely tuberculosis-free herd, so that the supplies of milk provided by the company attain to the very highest hygienic standards.

The Chairman also referred to the scheme for the supply of milk for school children, which he hoped would be adopted by a larger number of schools than were at present benefiting by the arrangement.

Mr. S. H. Dodwell was in the Chair and was supported by Mr. T. E. Pearce, Mr. J. Owen Hughes and Mr. R. E. Coxon (Directors), Mr. A. Stevenson (General Manager) and Mr. J. D. Thomson (Secretary).

Among the shareholders present were Messrs. Frank Austen, S. T. Williamson, A. D. Wylie, D. McFerran, G. Milne, S. Hampden-Ross, Chan Nai-pan and Jan Con-sang.

In his review of the year the Chairman said:—

"When addressing you from the Chair last year, my predecessor, in referring to the future, sounded a note of warning when he predicted that 'difficult times and more competitive conditions would have to be faced.'"

"There is, I am glad to say, little evidence of either of these conditions in the accounts before you today, but that does not mean that they did not both exist. The most stringent economy has been exercised in the operation of all departments, without which results could not have been so favourable. I desire, on behalf of the Board, to express our appreciation of the loyal manner in which the staff accepted the measures which the Board deemed necessary to meet the situation."

"I am sure that shareholders will thoroughly approve of a 5 per cent. Bonus which the Board have granted and for which provision has already been made, as well as join with me in congratulating Mr. Stevenson and the whole staff on the result achieved in an undoubtedly difficult year."

"As to the future, some aspects of the present world situation might justify me in reiterating the warning of my predecessor in this chair, but fortunately there are phases of it which are more encouraging than they were last year, notably the promise of more stability in our exchange at a level which experience has, I think, proved to be more suitable in the long run than a high one for trade in this part of the world. I shall therefore merely give you the assurance that economy combined with efficiency will continue to be our watchword in our double task of protecting the interests of our shareholders and of giving a service second to none to the public of the Colony."

Accounts Analysed

"Turning to the Accounts the profit on Working Account amounts to \$875,891.56, which is only \$4,757.37 less than in 1934. As will be seen, Depreciation on Fixed Assets has absorbed the sum of \$156,196.96, some \$10,000 more than was applied last year."

"In view of the drop in the market value of our Investments it was considered necessary to write these down, and the sum of \$15,000 has been utilised in order to bring the book value into line with the market value at December 31 last. Although still in credit to the extent of \$4,495.47

"MUI TSAI" COMMISSION

Decision Made By Secretary
For Colonies.

The Secretary of State for the Colonies has decided to appoint a commission to visit Hong Kong and Malaya to investigate the whole question of *mu tsai* in those territories and any surviving practices of transferring women and children for valuable consideration, whether on marriage or adoption or in any other circumstances, and to report to the Secretary of State on any legislative or other action which they may consider practicable and desirable in relation to these matters.

The Commission will comprise—

Chairman: Sir Wilfrid Wentworth Woods, K.C.M.G., late Financial Secretary to the Government of Ceylon.

Members: Miss Edith Picton-Turberville, O.B.E., Member of Parliament from 1929 to 1931; and Mr. Charles Armine Willis, C.B.E., late of the Sudan Civil Service.

The date of the Commission's arrival is not yet known.

pany and call to mind the stupendous difficulties with which our predecessors had to contend, it is a dream that I venture to think few of them thought would ever come true, and I sometimes wonder whether, notwithstanding our efforts to advertise widely the fact, the public really appreciate that it has come true.

Considerable Cost

"The cost of achieving our object has been considerable since it has meant the strictest application of veterinary practice and continuous withdrawals of animals from the Herd, but I am sure that Shareholders will consider that the end has justified the means. An adequate supply of pure fresh milk is undoubtedly essential to the welfare of the Colony. In his parting address, Dr. Gibson, who retired in May last after having completed 38 years' service in the Alice Memorial and Affiliated Hospitals, used these words: 'I do not know how people can read week after week, of 50 deaths from tuberculosis and not do more to cope with the dread disease.'"

"Gentlemen, I think that the Dairy Farm can claim to have played their part in this respect in a manner deserving well of the Colony, for although the use of T.B.-free milk may not cure tuberculosis, it undoubtedly removes the risk of infection, and by reason of its nutritive virtues, undoubtedly also reduces the risk of infection from other sources."

Less Mortality

"Before passing on from this item I think you should know that less than 20 per cent. of the losses was due to deaths. In fact there was less mortality in the Herd than for some years. Sales were mainly responsible for the deduction of \$122,219.82 in the value of the Herd. Last Spring a weeding-out campaign was carried out and as a result of this step I am able to assure you that the standard of the Herd has been raised to a very high level; in fact, the Herd is now certified as entirely free from tuberculosis—a condition we are justly proud of."

"In other words, all our milk is of the same quality as that so well known at home as Grade A T.T. which commands a higher price than ordinary milk."

"A T.B.-free Herd is the dairy Farmer's dream 'all the world over. In our case, when we hark back to the early days of the Com-

FORTHCOMING WEDDING

The forthcoming marriage is announced of Mr. Charles Percy Archer, salesman, of No. 73a, Wong Nei Cheong Road, and Miss Valentina Maria Castilho, of No. 75a, Wong Nei Cheong Road.

MRS. MORROW IN
COLONYMOTHER OF ANNE
LINDBERGH

INTERVIEWS REFUSED

Mrs. Dwight W. Morrow, mother of Mrs. Anne Lindbergh, accompanied by Miss Morrow and Mr. A. Morgan, arrived in the Colony this morning by the s.s. Naldara, and are at present residing in room No. 609, Gloucester Hotel.

Mrs. Morrow refused to interview press representatives and also gave instructions to the management of the Hotel not to allow any pressmen to see her.

Mr. Morgan, when interviewed by the *China Mail* this morning, stated that Mrs. Morrow is on a vacation and will probably be leaving the Colony in a week or two.

"It's no use," he added, "to try and come again as Mrs. Morrow will not see pressmen and has maintained this attitude throughout her voyage to Hong Kong."

WEDDING AT THE
REGISTRY

Chadderton—McCreath

Before Mr. M. J. Abbott at the Marriage Registry this morning, Mr. Cyril Chadderton, son of Mr. John William Chadderton, was married to Miss May Robertson McCreath, daughter of Mr. Thomas McCreath. The bride arrived in the Colony only this morning by the s.s. Naldara from Home.

The witnesses to the wedding were Mr. Stanley Duff and Mrs. D. M. Duff.

LOCAL NEWS
BREVITIES

Mr. and Mrs. George F. Komor, Miss P. U. Komor and Mr. E. S. Komor sailed yesterday by the s.s. Taiyo Maru for Los Angeles, taking with them over 30 large cases of antiques and curios with which they intend to open a business in the United States.

Mr. A. Spary, of the P.W.D., accompanied by Mrs. Spary and children, returned to the Colony this morning by the s.s. Naldara.

Mr. Ong Boon-tat, a well-known Singapore Malay-Chinese merchant, is a through passenger for Kobe by the s.s. Naldara.

Mariners are warned that night firing will be carried out at 8 p.m. next Monday at White Rock by H.M.S. Robin.

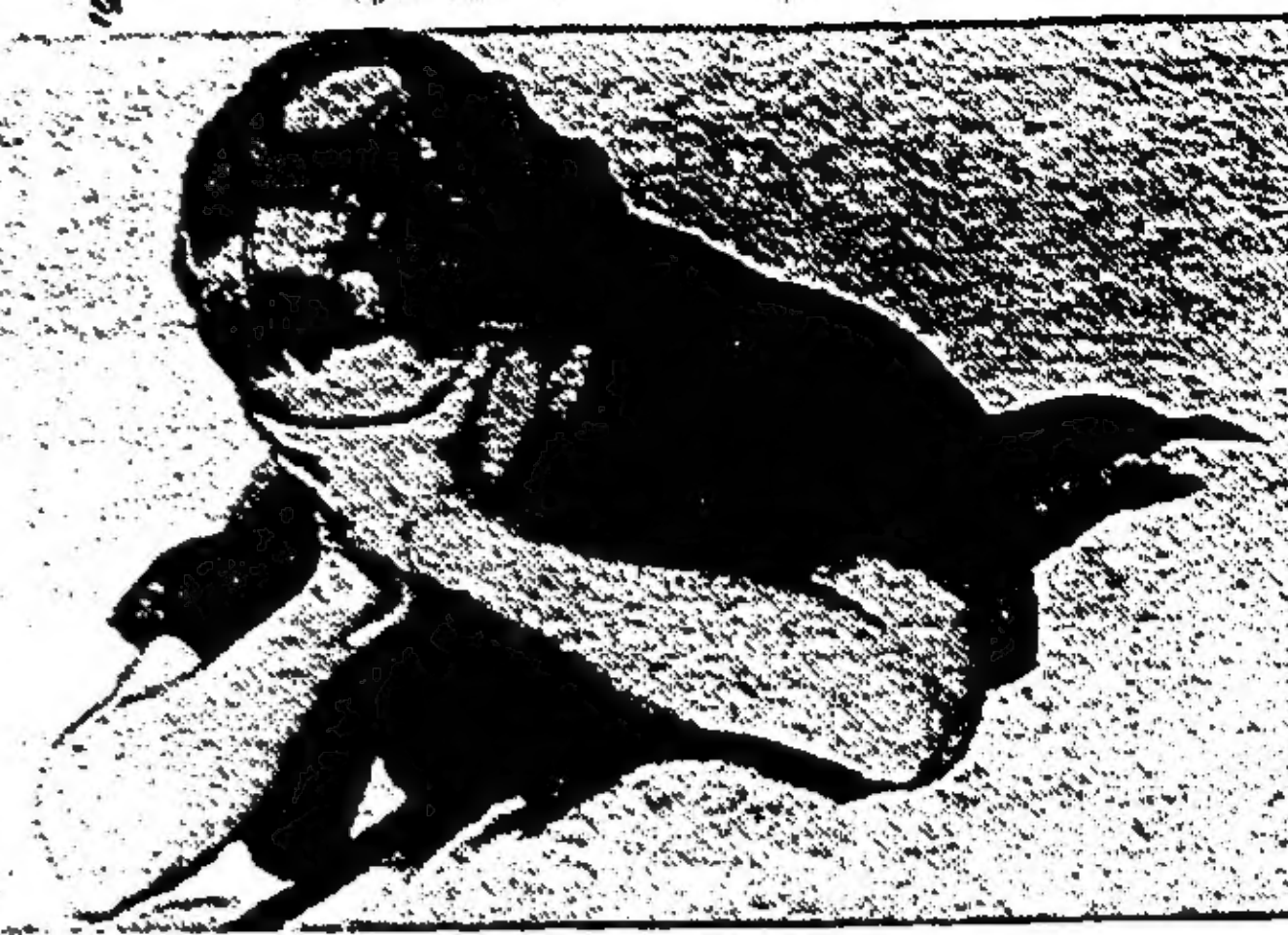
The R. A. Sergeants' Mess whist drive and tombola arranged for to-morrow has been cancelled.

Dr. D. J. Valentine will give the next lecture on First Aid at St. John Ambulance Headquarters to-morrow at 5.30 p.m.

The R.M.S. Empress of Britain is due in Hong Kong to-morrow morning at about 8 o'clock, on her fifth world-cruise.

only, as a number of the employees have taken the opportunity to invest portions of their funds in approved securities. I may say that since last we met the change in the administration of the Fund, to which reference was made at the last Annual Meeting, has been carried out and apart from acting in the capacity of Trustees the Company has no other integral interest in the Fund.

(Continued on Page 11)

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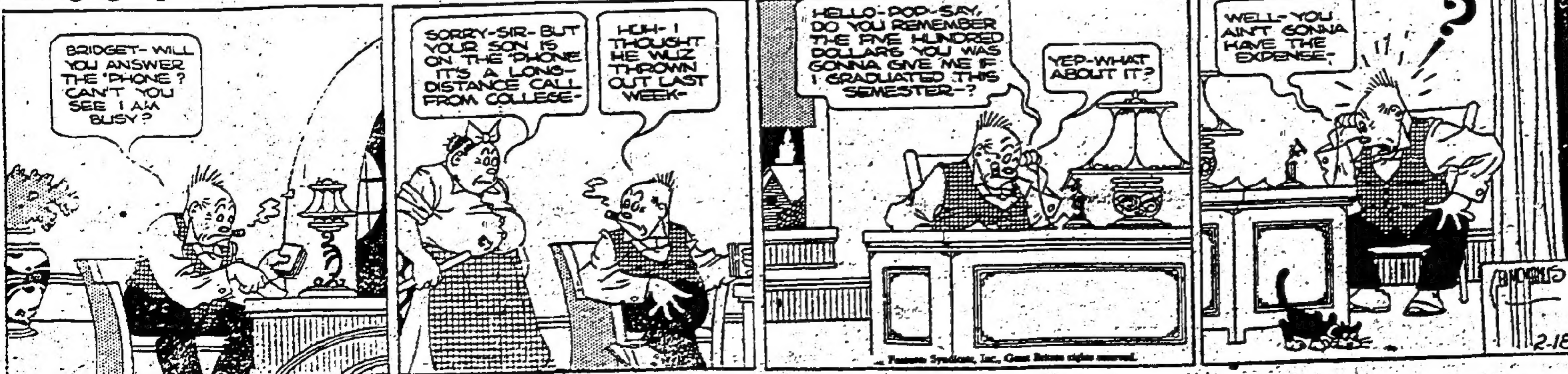
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NEXT SAILING SOUTHWARDS: M/S VICTORIA 28th Mar.

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ASAMA MARU Wednesday, 6th May

SEATTLE & VANCOUVER.
HIKAWA MARU (starts from Kobe) Monday, 23rd Mar.
HIYE MARU (starts from Kobe) Monday, 23rd Mar.
HELAN MARU (starts from Kobe) Saturday, 25th Apr.
LONDON, MARSEILLES, ANTWERP & ROTTERDAM.
FUSHIMI MARU Saturday, 28th Mar.
HAKOZAKI MARU Saturday, 11th Apr.
TERUKUNI MARU Friday, 24th Apr.

SYDNEY & MELBOURNE via Manila & Ports.
ATSUTA MARU Saturday, 28th Mar.
KAMO MARU Saturday, 25th Apr.
BOMBAY via Singapore, Penang & Colombo.
TOYAMA MARU Saturday, 28th Mar.
TANGO MARU Saturday, 11th Apr.
GENOA MARU Monday, 6th May.

SOUTH AMERICA (West Coast) via Japan, Honolulu, Los Angeles, Mexico and Panama.
BOKUYO MARU Thursday, 9th Apr.
NEW YORK via Panama.
INOTO MARU Tuesday, 24th Mar.
INAKO MARU Saturday, 17th Apr.

LIVERPOOL via Port Said, Suez, Istanbul, Piraeus, Genoa and Valencia.
ALMA MARU Thursday, 9th Apr.
CALCUTTA via Singapore, Penang & Rangoon.
TOBA MARU Tuesday, 17th Apr.

SHANGHAI, KOBE & YOKOHAMA.
HAKUSAN MARU Friday, 27th Mar.
GINYO MARU Saturday, 28th Mar.
HARUNA MARU Friday, 10th Apr.
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SAILINGS FROM HONG KONG SUBJECT TO ALTERATION.

NEW YORK via Japan, Los Angeles and Panama. Call Direct at Cristobal, Puerto Colombia, Boston Philadelphia and Baltimore.	Tokai Maru	Thurs., 26th Mar.
RIO-DE-JANEIRO, SANTOS, MONTVIDEO & BUENOS AIRES via Singapore, Colombo, Durban, and Cape Town.	Montevideo Maru	Mon., 23rd Mar.
MOMBASA, ZANZIBAR, DAR-ES-SALAAM, BEIRUT, LOURENCO, ALGAE, BAY CAPE TOWN & SOUTH AMERICAN PORTS via Singapore & Colombo.	Laplatá Maru	Thurs., 23rd Apr.
MELBOURNE, BRISBANE, SYDNEY, WELLINGTON & AUCKLAND direct.	Hawaii Maru	Fri., 3rd Apr.
BOMBAY & KARACHI via Singapore, Penang and Colombo.	Arizona Maru	Mon., 4th May
CALCUTTA via Singapore, Belawan, Deli, & Rangoon.	Tajima Maru	Thurs., 19th Mar.
JAPAN PORTS	Pacific Maru	Tues., 31st Mar.
JAPAN via Takao & Keelung.	Hague Maru	Fri., 20th Mar.
KEELUNG via Swatow and Amoy.	Himalaya Maru	Wed., 1st Apr.
TAKAO via Swatow and Amoy.	Panama Maru	Sat., 21st Mar.
	Canton Maru	Thurs., 9th Apr.
	Hozan Maru	Sun., 22nd Mar.
	Fukien Maru	Sun., 29th Mar.
		Thurs., 19th Mar.

*Further Particulars Please Apply to:—
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To-day's Short Story

DANCE OF YESHA

By Grace Keon

YESHA, the maid, sang above her loom, and her voice was like the nightingale in the rose gardens of the Sultan. She was weaving her dower, her heart a flame of happiness. Beautiful and true were the thoughts of Yesha, beautiful and true the work of her fingers.

The Sultan yawned. A look of consternation spread across the faces of his ministers. A look of fear shot into the eyes of his courtiers. A look of dread might be observed in the furtive glances of the bronze-hued eunuchs. It was so unexpected. He had been watching the dancers swaying to the clash of cymbals, the thrilling pipe of flutes. His gaze had followed them with absorbed attention, for the dance was new. And then—

The Sultan yawned. Horrible catastrophe! Moved by one terror, dancers and slaves dropped to the ground. Trembling, they fell, faces covered. Trembling, the ministers and courtiers stood.

Silence. Absolute. Terrifying. It lasted just one minute—but that minute meant life or death. Then a shriek clove the air—a shriek from the mouth of the Sultan. His eyes glared, his hands quivered.

"Away! Away! All of you! Where is Osmanli? Osmanli, come!"

A shuddering breath of relief burst from the human creatures prostrated before him. They left his presence swiftly, silently, saluting, rejoicing that he had not annihilated them. All went—the dancers, the courtiers, the ministers—and eunuchs pulled close and tight the cloth-of-gold draperies: for when Osmanli the prophet talked with the Sultan none might see or hear.

And, then, silently, the draperies parted and fell again as silently and there stood a tall figure.

The man came to the foot of the ruby throne. A prophet, indeed! White-haired, dark-skinned, with piercing eyes that flamed and burned and saw... and saw...

"Osmanli, I ask thee, has the doom come upon me?"

The prophet stooped, crossing his hands, saying no word.

"Thou knowest the prediction of Jazur, that evil swineherd: 'Ere thou yawnest thrice, monster, thou shalt die!' Alas! Osmanli! I have yawned the second time. So my doom is upon me!"

A craven and a coward sat on the throne of kings. He kept no pretences with Osmanli. When Osmanli's eyes met his their souls merged. He could conceal naught. Those eyes.

Gaze met gaze. Osmanli regarded him intently. The tapers burned low, the incense smoked.

"My lord, I see!" said the prophet in a low tone. "Drop not thy gaze until I finish all. Within thine eyes a woman stands. Quiver not a lash or I lose the tale. Ah-h! 'Tis she! Yesha, daughter of Mahmood!"

His voice ceased, he breathed heavily, while the Sultan's hands were clenched in agony.

"Send for her," said Osmanli, regaining his composure. "She hath surpassing gifts. I know of them. She hath in her hands... thy destiny."

The Sultan had tested the prophet Osmanli, who had carried him in his arms when he was a boy. He trusted him. Now he clasped his palms together sharply and one of the bronze-hued statues behind the cloth-of-gold came to life.

"I would have here at once the daughter of Mahmood, Yesha, her name. Call her, and see that she is brought to my presence."

Osmanli nodded then, and added a few low-spoken words. The eunuch withdrew.

"He said it, the dog!" fumed the Sultan. "Jazur! I cannot forget! The third time, he said. Alas, what is this? And how can a dancing-girl bear a charm for me? But thou hast said it, Osmanli! I trust thee! I shall reward thee and her. I shall cover her with jewels! I shall—"

The moment went by... slowly... slowly... and the Sultan became more anxious, more nervous, closer to the breaking-point.

Presently a eunuch came. The Sultan sat up, staring eagerly. Behind the slave stood a slender figure. It moved slowly toward the

ruby throne. And behind her another eunuch bearing a burden across his two outstretched arms.

"Approach, maid!"

She came with arms extended, and bowed low, closer still, to the very lowest step.

"Thou art Yesha?"

"Yesha, daughter of Mahmood, friend of Osmanli, the prophet."

"Come nearer, kneel. Uncover thy face."

Osmanli, bending over, lifted away the silken tissue that enveloped head and face and form. For an instant the Sultan gazed.

"What jewel is this? She is the fairest I have ever looked upon."

"Surely, my lord. She is thy thought, great one. Have I not beheld her in thine eyes? Thou hast given her life. She is thine!"

The flower-like face was bent. Fascinated, the Sultan leaned forward.

"Yesha—"

"My lord!" said a silvery voice. "Hast need of me? Shall I dance for thee?"

The Sultan shuddered. "Nay, nay! 'Twas while those others danced that I—"

"Oh, master, but my dance is a prayer! And to him who looks upon it the great god Vishnu grants his heart's desire."

The Sultan was carried away by her beauty, her fire.

Yesha sings. She swayed lightly. Her feet were like lilies and the golden circles and gleaming jewels upon them like dewdrops set in flame.

She lifted her arms and they were white jasmine drooping, and the strange perfume of her so filled the Sultan's senses that he wished to forget all else—all else but this daughter of Mahmood.

TO-MORROW'S STORY

To-morrow's story will be "The Perfect Crime," by Leslie Charteris.

"Pray, my lord..."

It was the warning voice of Osmanli, rousing him. The Sultan remembered—and in his heart he wished a mighty wish that he might never yawn again.

The eunuch spread the rug and went away, drawing the draperies close once more. Like a blossom in the gentle wind the fair daughter of Mahmood began to dance.

And she sang:

"With mine own hands I spun the wool. With mine own hands I dyed the strands. The gift that brought him to me."

"Oh, heart of my soul... oh, my beloved..."

"With mine own hands I fashioned the steed, the proud steed that brought mine own to me."

"Behold the lions! They were of his house the symbols. He was strong, he was brave."

"And round and round about I set the angels that would keep guard between."

"Oh, heart of my soul..."

Thus she chanted, stepping ever more and more lightly, her face aglow. Nearer and nearer she came, and the Sultan smiled.

Smiled at her beauty, her tenderness. Now she knelt before him, at his feet, her slender arms touching him; her little hands were at his bosom, and he smiled, anticipating the sweetness of Yesha.

"But thou didst take him, the heart of my soul! Thou didst have him scourged and flogged and tortured... and thus... and thus... do I requite thee for the death of Jazur, my beloved!"

"Straight and true the little dagger went home. Straight and true through silken robe and fine steel mesh went its slender needle-point. Straight to the heart. The Sultan's smile froze upon his lips. He made no sound. He uttered no cry. He went out of life to the judgment of God."

"Osmanli!" breathed the maid. "Quietly the prophet curved the Sultan's right hand until it was clenched about the dagger, holding it there until the grasp was sure. Then he rolled up the rug and Yesha drew her veil closely."

"The Sultan rests," said Osmanli sternly to the eunuch. "Guard him well. Let no one enter."

The bronze statue saluted before the Sultan.

THE END

ROSY PROSPECTS IN ENGLAND

(Continued from Page 6)

In so far as these vast sums are paid in return for human services and not for the consumption of actual, real wealth, their effect is good. The greater the velocity of money, the more widely spread the prosperity.

First Secret

It has been rightly said that the first secret of our present boom is that in 1931 we protected our home market and went off gold. Going off gold was like imposing a kind of inverted protection.

True as that is, it is equally true that we have not yet exhausted the benefits we derived. The first benefits actually inaugurated secondary benefits, which in turn set new wheels of wages and spending turning.

With more and more people in employment, with wages scales rising again—as the scale of the miners has risen—trade that has characterised the past fourteen months must not only continue but increase in ratio.

Industrial profits over 1935 were anything around 33 1/3 per cent. higher than in 1934. Those results are now beginning to be declared, and the dividends paid.

Here is a new stream of money coming into circulation to give us all still more employment, more orders.

Chancellor's Toll

On those increased profits the Chancellor will take his toll. Without increasing the tax rate he will get a higher yield. It will help to pay for the reconstruction and armament expenditure.

There is yet another thing to be weighed. For five years foreign lending has not been allowed. There has piled up in this country a large reservoir of thrift.

Building societies, savings banks, fixed trusts have all felt the benefit. From that reservoir will pour streams of money to capitalise new enterprises or to buy from old enterprises.

Given a measure of sense in the world's statesmen to keep us from outside disturbances, we may look forward to an era of prosperity beside which the good times of the past will seem moderate indeed.

Courage And Confidence

The lessons of 1928, our last boom year, have been well learnt. Banks and business institutions have discovered means of preventing wild follies. Our new era of recovery is far more solidly based than has been any other such period of emergence from depression.

Let us, as a trading nation, cease from confusing caution with timidity, and let us with firm courage take from the economic circumstances of our time all the betterments that are offered.

Let us spend with confidence and invest with courage in those things which deserve our trust.

NEW YORK STOCK MARKET

(Continued from Page 3)

Chicago market will open at 9:30 a.m. instead of 10:30 a.m. New York Time, and close at 1:15 p.m. instead of 2:15 p.m. On Saturday, the market will close at noon. Total sales: 8,597,000 bushels.

Rubber: Lower February consumption is having a temporary effect on the market. The strike situation is steadily improving and we favour purchases. Total sales: 102 lots.

Flash: Average daily production of petroleum during the past week is estimated at 2,808,000 barrels, compared with 2,758,000 barrels the previous week.

The Edison Electric Institute estimates electricity production for the past week at 1,901,000,000 k.w.h., an increase of 10 per cent. from the corresponding period of last year.

fore the prophet, whom he dreaded more than the Sultan himself. The Sultan, however, had his wish.

He never yawned again.

THE END

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	Hong Kong	Shanghai	Nagasaki	Kobe	Yokohama	Honolulu	San Francisco
Leave	Arrive	Leave	Leave	Leave	Leave	Leave	Arrive
E/Asia	Mar. 20	Mar. 22	Mar. 24	Mar. 26	Mar. 28	Mar. 30	April 6
E/Canada	Apr. 3	Apr. 5	Apr. 8	Apr. 10	Apr. 12	Apr. 14	Apr. 22
E/Russia	Apr. 17	Apr. 19	Apr. 21	Apr. 23	Apr. 25	Apr. 27	May 4
E/Japan	May 1	May 3	May 6	May 8	May 10	May 12	May 19
E/Asia	May 15	May 17	May 19	May 21	May 23	May 25	June 1
E/Canada	May 29	May 31	June 3	June 5	June 7	June 9	June 17
E/Russia	June 12	June 14	June 16	June 18	June 20	June 22	June 29
E/Japan	June 26	June 28	July 1	July 3	July 5	July 7	July 14
E/Asia	July 10	July 12	July 14	July 16	July 18	July 20	July 27
E/Canada	July 24	July 26	July 29	July 31	Aug. 2	Aug. 4	Aug. 12
E/Russia	Aug. 7	Aug. 9	Aug. 11	Aug. 13	Aug. 15	Aug. 17	Aug. 24
E/Japan	Aug. 21	Aug. 23	Aug. 26	Aug. 28	Aug. 30	Sept. 1	Sept. 8

To San Francisco, Los Angeles

Panama — Havana — New York — Southampton

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From Hong Kong — March 25th.

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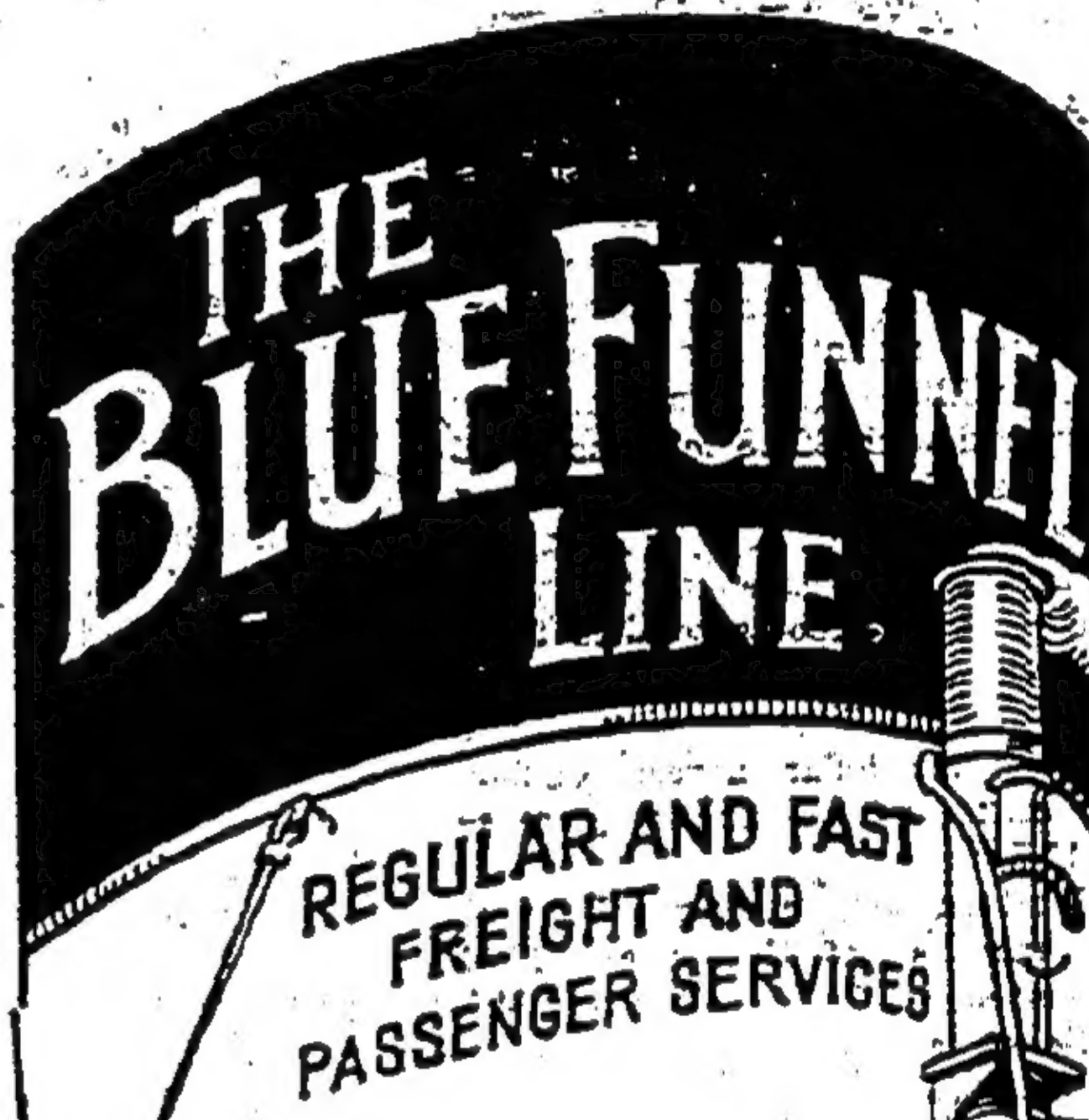
EMPERESS OF CANADA MAR. 27
EMPERESS OF RUSSIA APR. 9

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EUMAEUS Sails 28 Mar. for Havre, Liverpool and Southampton.

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*REXENOR Sails 3 Apr. for Boston, New York, Philadelphia and Baltimore via Manila, Straits and Cape of Good Hope.

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TAIPING 8 May 15 May 18 May 24 June

CHANGTAE 12 June 19 June 22 June 28 July

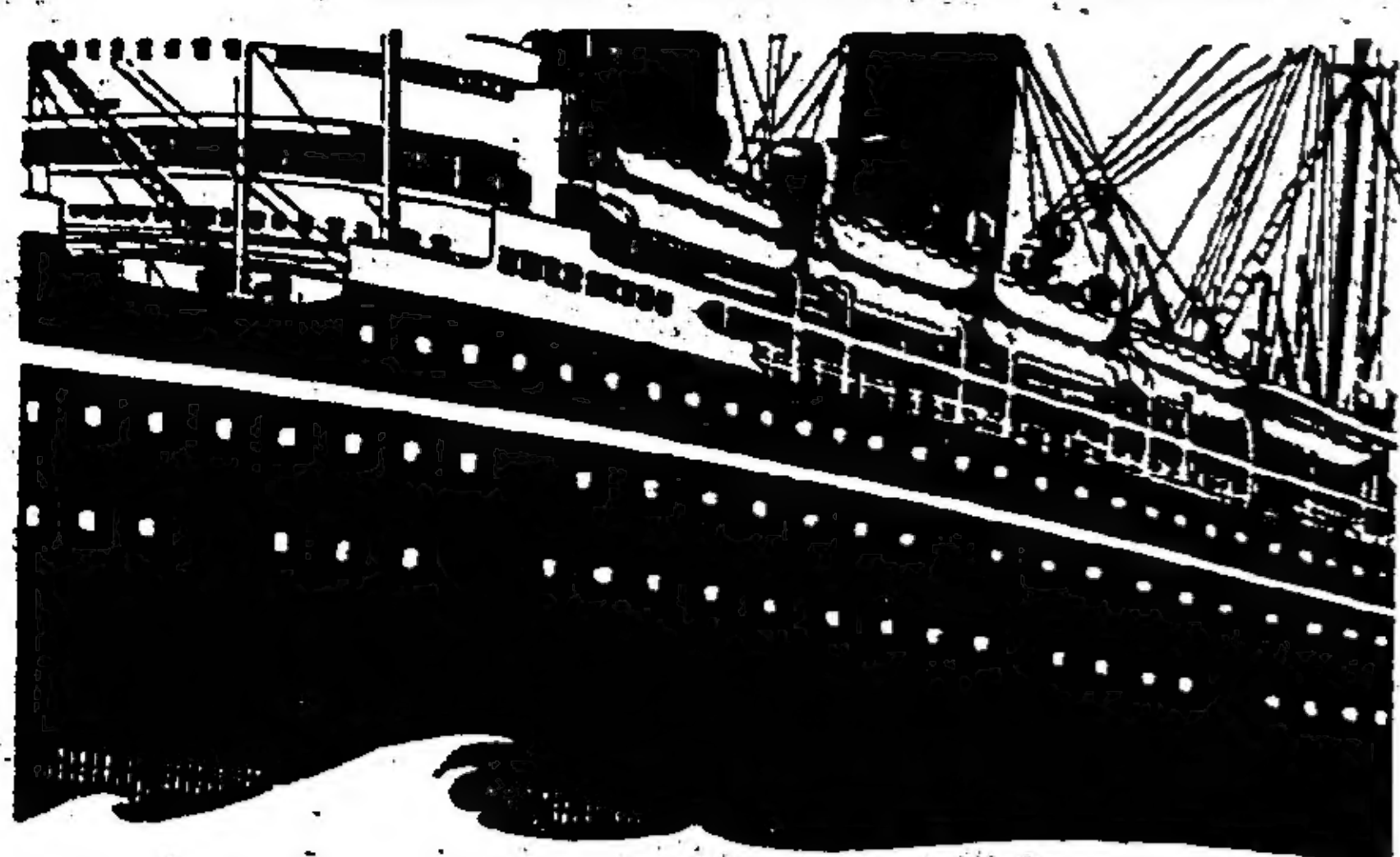
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CORFU	14,500	21st Mar.	Marseilles & London
*SOMALI	7,000	23rd Mar.	Bombay, Marseilles, Havre, London
RANCHI	17,000	4th Apr.	Marseilles & London
*KIDDERPORE	5,000	6th Apr.	Straits, Bombay & Karachi
NALDERA	16,000	18th Apr.	Bombay, Marseilles & London
*BANGALORE	6,000	25th Apr.	Marseilles, Havre, London, Hamburg, Rotterdam, Antwerp & Hull
CARTHAGE	14,500	2nd May	Marseilles & London
RAJPUTANA	17,000	15th May	Bombay, Marseilles & London
*BEUTAN	6,000	23rd May	Marseilles, Havre, London, Hamburg, Rotterdam, Antwerp & Hull
CHITRAL	15,000	30th May	Bombay, Marseilles & London
*BERAR	6,000	6th June	Marseilles, Havre, London, Hamburg, Rotterdam, Antwerp & Hull
RANPURA	17,000	13th June	Bombay, Marseilles & London
*SUDAN	7,000	20th June	Marseilles, Havre, London, Hamburg, Rotterdam, Antwerp & Hull
RAWALPINDI	17,000	27th June	Bombay, Marseilles & London
CORFU	14,500	11th July	Bombay, Marseilles & London
RANCHI	17,000	25th July	Bombay, Marseilles & London
NALDERA	16,000	8th Aug.	Bombay, Marseilles & London
KAISER-HIND	11,000	22nd Aug.	Bombay, Marseilles & London
RAJPUTANA	17,000	5th Sept.	Bombay, Marseilles & London
CHITRAL	15,000	19th Sept.	Marseilles & London

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SHIRALA	8,000	25th Apr.	Singapore, Penang, Rangoon and Calcutta
TILAWA	10,000	9th May	
SANTHIA	8,000	23rd May	

* Calls Port Swettenham.



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The P. & O. Royal Mail Steamers to London and the P. & O. Branch Service of Steamers to London via Suez.

The New Zealand Shipping Co.'s Steamers for Southampton and London via Panama Canal.

EASTERN & AUSTRALIAN SAILINGS

NANKIN	7,000	3rd Apr.	Manila, Rabaul, Brisbane, Sydney
NELLORE	7,000	2nd May	Melbourne & Hobart
TANDA	7,000	5th June	

SAILINGS TO SHANGHAI & JAPAN

SIRDHANA	8,000	20th Mar.	Amoy, Shanghai & Japan
*BANGALORE	6,000	23rd Mar.	Shanghai & Japan
NALDERA	17,000	20th Apr.	Shanghai, Kobe & Yokohama
SHIRALA	8,000	2nd Apr.	Amoy, Shanghai & Japan
CARTHAGE	14,500	2nd Apr.	Shanghai, Kobe & Yokohama
NELLORE	7,000	5th Apr.	Shanghai & Japan
*BEUTAN	6,000	15th Apr.	Shanghai & Japan
TILAWA	10,000	16th Apr.	Amoy, Shanghai & Japan
RAJPUTANA	17,000	16th Apr.	Shanghai, Kobe & Yokohama

ALL DATES are approximate and subject to alteration without notice. All Cabins are fitted with Electric Fans or Pumps Louvre System. Steamers on London and Australian Lines are fitted with Laundries. Parcels measuring not more than 5 cu. ft. will be received at the Company's Office up to Noon on the day previous to sailing.

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WILD CATS FINE FINISH

(Continued from Page 4)

won the race in a canter. It was a treat to see him making up lost ground, only to lose the race within 50 yards of the winning post as a result of interference from Macaroni (Mr. Fung). A protest was lodged, and the Stewards quite rightly disqualified Macaroni, giving the race to Mistake Bay, with King's Justice second, and Sadko third.

Tinsmith, ably ridden by Mr. Pih, won the Randwick Plate for Australian ponies over a mile. Mr. Proulx had the mount on Zodiac, and was made favourite, but the pony again failed.

Punters must be getting tired of backing this pony, and I suppose he will probably win a race when least expected. In this race Honey (Mr. Deitz) showed a fine turn of speed, and will bear watching in shorter events.

Mr. Roza's Bad Luck

In the Tytam Handicap ("A" Division), the first leg of the "Daily Double," Rose Evelyn (Mr. Deitz) was made favourite, in spite of her heavy burden, and it was to the credit of her jockey that she was only beaten by a head, after conceding an advantage of 10 lbs. to Wild Cat. Mr. G. U. da Roza was quite confident of winning this race on Gold Sovereign, but bad luck was responsible for him being beaten into third place—his left stirrup broke coming down the straight. At least five ponies were bunched together in one line going round, and at the turn of the bend Gold Sovereign shot out with a lead of two lengths. It was then that Mr. Liang started riding, followed closely by Rose Evelyn.

King's Warden (Mr. G. U. da Roza) and Gladiator (Mr. Deitz) shared top weight in the Hong Kong Handicap "A" Division, the sixth race of the day. Herod was also sent out with Mr. Choy as the pilot, and consequently enjoyed a reduction of five lbs. in weight. King's Warden, however, made no mistake in this race, and fully merited the confidence of those punters who made him favourite. Gladiator also did remarkably well, in spite of the heavy burden, and Cyclamen Bay again showed another of her fighting finishes.

Surprising Double Dividend

In the seventh race, The Tytam Handicap "B" Division, which was the second leg of the "double," Balios (Mr. Pih) was confidently tipped to win, and made no mistake, about it, although strongly challenged by Fidelity (Mr. Roza) in the home stretch. My Wild Cat-Balios selection paid the useful dividend of \$61.70, which was really very good.

Another great fighting finish was witnessed in the eighth race, The Hong Kong Handicap "B" Division. After remaining in the rear several lengths behind almost half the way round, Mr. Deitz brought King's Lead up near the Rock, and at the turn of the bend shot out into the lead. It was then that Mr. Liang started to ride, Bistre, and he did extremely well to lose by only a neck in view of the difference in status between the two ponies—the winner was a griffin and the other a sub.

The last race of the day, the "Moonie" Ponds Handicap for Australian ponies, presented a rather unusual sight. Known for his ability for getting away to flying starts, Mr. Proulx on Halcyon was actually left standing at the rise of the barrier. It was a hopeless task for Halcyon to catch up. For once Rose Ann (Mr. Deitz) had a good start, and would have caused a big upset but for Mr. Black's fine riding on Snowy River. The time returned for the mile distance was exceptionally good in view of the heavy state of the track. Coming down the straight, Snowy River took command, and was a length or two in front when Mr. Deitz made a determined challenge on Rose Ann. He would have won with another few lengths to go.

Instead of the advertised lecture this evening, the Manuk Lodge of the Theosophical Society is hearing an address by Mr. H. Hotchener, of the Headquarters of the Society, Adyar, who is passing through the Colony. The meeting will be held in the Lodge Room, Hong Kong Club Annex, 1b, Chater Road, at 6 p.m. All who are interested will be welcomed.

Dairy Farm Meeting

(Continued from Page 9)

"I do not think that further reference to the accounts is necessary for the present and will now deal briefly with our activities throughout the year, the most important of which was the opening in October last of a Cold Storage Installation comprising six rooms in Godown No. 28 in the premises of the Hong Kong and Kowloon Wharf and Godown Co., Ltd. This installation was built primarily for the purpose of providing facilities for the storage of transhipment cargo within easy access of the main wharves at Kowloon. I may say that a 10-year lease of these premises has been entered into and, although it is yet too early to prophesy, it is felt that the installation will prove a sound investment.

Delivery Services

"Delivery services to the Magazine Gap and Shek-O districts were instituted, much to the satisfaction of the residents there. Kiosks for the sale of milk, ice cream and other products were opened in Tin Kau and Shek-O, and both, I am pleased to say were afforded a fair measure of patronage.

"In May last the Soda Fountain unit was transferred from our Branch in the St. Francis Hotel building to the Hong Kong Hotel, where it is operated by us for the Hotel Company.

"We are also operating the Soda Fountain at the Lido and feel certain that this will prove a satisfactory venture.

"With a view to safeguarding our ice business the sale and rental of modern American ice refrigerators was started in June last and I am pleased to say that the department did very well last year. We hope to improve upon our ice delivery service this year and two or three plans relative to the sale of ice refrigeration are under consideration.

Milk For Children

"In April last a scheme for the supply of milk to children at school was introduced and although the support was gratifying we are hopeful that there will be an increased demand this year and that a few more schools will show interest in the scheme.

"As you know, an Interim Dividend of 50 cents per share was declared in October last. At that time we had a surplus of funds which it was difficult to employ to advantage, and knowing that an Interim Dividend would be appreciated, your Directors decided upon payment of 50 cents per share. I believe that this step had your full approval.

"The balance of Profit and Loss Account for the year amounts to \$432,972.20 and the balance for appropriation to-day, including the sum of \$30,601.08 carried forward from 1934 and less the amount absorbed by Interim Dividend, i.e., \$125,715.00, amount to \$387,858.38, which your Directors recommend be dealt with as follows:—

Pay a final Dividend of \$1.00 per share, absorbing	\$251,430.00
Add to Staff (Chinese) Superannuation Fund	10,000.00
Transfer to Exchange Fluctuation Account	25,000.00
Add to General Reserve	25,000.00
Carry Forward	76,428.30
	\$387,858.30

Directors

"Since our last Meeting Messrs. A. B. Stewart and W. G. Goggin retired from the Board on leaving the Colony and I should like to take this opportunity of recording our great appreciation of the valuable services these gentlemen rendered the Company."

Very Satisfactory Position

Mr. S. T. Williamson, in rising to second the adoption of the Report and accounts said:—"It is with pleasure that I rise to second the adoption of the Accounts now before us, and I feel sure that Shareholders will agree that a very satisfactory position is revealed, and every credit and our thanks are due to our Board and to Mr. Stevenson and his Messrs. Percy Smith, Seth Fleming, were re-elected auditors for the ensuing year at a remuneration of \$2,000 on the proposal of Mr. A. D. Wyllie, seconded by Mr. Chan Nai-pan."

"The management of the Hong Kong Hotel, announced that tomorrow and Saturday, Eddie Harkness and his Orchestra will provide the music for the Grill Room dinner dances.

IMPOSING ARRAY OF FACTS

(Continued from Page 7.)

"Yet another point which we would urge is that economies might possibly be effected if an Unofficial Members of this Council were appointed in an advisory capacity. A Member of the Appointments Board to the Senior Clerical and Accounting Service.

"In the course of his speech Mr. Lo has referred to the difficulty of getting rid of Civil Servants for bribery or other irregular practices, and there can be no doubt that this difficulty in getting rid of Subordinate Officers for bribery constitutes a serious blot upon the wholesome administration of the laws and regulations of this Colony. In Hong Kong, unfortunately, conditions are far more conducive than in other Colonies to the offer and acceptance of bribes, and accordingly many of our Ordinances and regulations are potential vehicles for bribery. Radical Change Suggested

"In these circumstances the Unofficial Members feel compelled, in the interests of the public, to suggest a radical change, namely, that no Subordinate Officials in the service, should, in future be taken on to the permanent Staff of the Colony, but that, instead, they be taken on, on agreements for terms of years, which would be renewable, at the option of the Government. Some sort of scheme for a contributory provident fund for such Officers would have to be created, in lieu of a pension.

"In conclusion I must deal with a point, which has been briefly referred to by the mover of this motion, and which is a very sore point with the Unofficial Members of this Council. In my letter to the Colonial Secretary of September 18 last I, as the mouthpiece of every one of the Unofficial Members, urged the Government to fix Exchange forward for all the sterling commitments of the Government for 1936. Those sterling commitments the Acting Colonial Secretary, in his Budget speech, stated to amount to \$750,000 sterling. (See Hansard 1935 at p.157).

"In a further letter to the Government of September 25, I, on behalf of all the Unofficial Members, urged that at least sterling Exchange should be fixed forward for all the Government's sterling commitments in 1936, other than for sterling salaries, 'as being in accordance with the best commercial practice.'

"As sterling Exchange could have then, or shortly afterwards, been fixed at the rate of about 2/- to the dollar, the Colony has become involved, quite unnecessarily in a large extra expenditure to meet its sterling commitments for 1936, with the result that our Budget for this year has become badly unbalanced, instead of our being in a comparatively satisfactory financial position.

"Most Regrettable"

"This is most regrettable, and up to the present moment no reason has been given to us, which we regard as adequate, for that deplorable omission on the part of the Government to adopt the (Continued in Next Column)

very high standard.

"It is pleasing to note that further Cold Storage space has been arranged for in conjunction with the Hong Kong Kowloon, Wharf and Godown Co., Ltd. This should be of considerable assistance to us in the efficient handling of our shipping and import and export business.

"The Chairman has so fully covered the various points that there is very little left for further comment. I now formally second the adoption of the Report and Accounts as presented to this Meeting." This was put to the vote and carried unanimously.

Directors Re-Elected

Mr. S. H. Dodwell and Mr. T. E. Pearce were re-elected to the Board of Directors on the proposal of Mr. D. McFerran and seconded by Mr. G. Milne, while Messrs. Percy Smith, Seth Fleming, were re-elected auditors for the ensuing year at a remuneration of \$2,000 on the proposal of Mr. A. D. Wyllie, seconded by Mr. Chan Nai-pan."

"The management of the Hong Kong Hotel, announced that tomorrow and Saturday, Eddie Harkness and his Orchestra will provide the music for the Grill Room dinner dances.

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Pres. Hoover 10 a.m. Apr. 18	Pres. Grant Apr. 24
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Pres. Coolidge 8 a.m. May 16	Pres. Jackson May 22

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Pres. Wilson Apr. 25	Pres. Lincoln 6.00 p.m. Mar. 31
Pres. Monroe May 9	Pres. McKinley 6.00 p.m. Apr. 4
Pres. Van Buren May 23	Pres. Hoover 9.00 p.m. Apr. 9

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obviously business-like course of fixing sufficient sterling exchange forward to cover its sterling commitments which would have materially helped the Government to balance its 1936 Budget.

"Such omission on the part of the Government is all the more inexplicable, inasmuch as the Acting Colonial Secretary, in his Budget speech of September 12, 1935, clearly foresaw the possibility of an unbalanced Budget. (See Hansard 1935, at page 158).

"We hope that the Government is not going to shelter itself behind the plea that it could not fix sterling exchange forward because it had some foreknowledge of the possibility of measures being taken by it to establish a managed currency. In considering such a plea, it is necessary to remember that the Government are trustees for the taxpayers of this Colony, whose interest it is the Government's duty to protect by every means in its power.

"It is also necessary to remember that the other party to any such Exchange transaction by the Government would be a Bank, which would at once protect itself against loss by entering into a covering contract.

Protection Of Taxpayers

"When the Unofficials ask for protection for the tax-payers money, their wishes should be met and the onus for the action laid on them.

"In the present instance the Government were in the extraordinarily fortunate position of the Unofficial Members of this Council unanimously volunteering to take upon their own shoulders the responsibility for the Government fixing sterling Exchange forward. We regret being obliged to emphasize this point of fixing Exchange forward. Our reason for doing so is that it has been suggested by persons outside of this Council (in ignorance of the true taken by it to establish a managed facts) that the Unofficial Members were to blame for omitting to advise the Government to adopt the sterling Exchange forward.

"And, lastly, the Unofficial Members desire me to express our sympathy with Your Excellency in having, so soon after your arrival here, to deal with an unbalanced Budget, and also in being the chief sufferer from those cuts in Civil Servants' salaries which you have, so promptly, brought into force."

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FRANCIS
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THE GANDER

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SYLVIA SIDNEY'S GREATEST

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BREAK OF HEARTS

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GRAND NATIONAL

Final Acceptances For March 27

London, To-day.
The final acceptors for the Grand National, to be run at Aintree on March 27, are as follows:—

Golden Miller (6 to 1, t and o), Reynolds Town (100 to 15, t and o), Avenger (100 to 9, t and o), Royal Ransom (28 to 1, t and o), Double Crossed, Castle Irwell (100 to 6, o, 18 to 1 t), Delaneige, Bagatelle II, Brienzi, Ocul de Boeuf, Blue Prince, Persian Sun, Bachelor Prince, Buckhorn, Inverable, Provocative, The Boy in Blue, Hillsbrook, Kiltor, Ego, Lavy Jones, Uncle Batt, Lazy Boots, Moorland View, Rathfriland, Emancipator (33 to 1, o, 35 to 1 t), Pencerak, Castle View, Deyn Court, Crown Prince, Comedian, Rodand Gun, Keen Blade (20 to 1, o, 25 to 1 t), Evasiomon, Lynton, Zag and Blaze.

TWO RIFLEMEN CHARGED

Alleged Unlawful Damage

Riflesman G. E. Ross was this morning charged before Mr. W. Schofield at the Central Magistrate's Court with unlawfully damaging a window-pane at No. 157 Johnston Road and with assaulting Lo Kau on Tuesday, while Riflesman A. McCarroll was charged with unlawfully damaging a window-pane of tramcar No. 31 in Johnston Road and with assaulting P. C. D181 while in the execution of his duty on the same day.

Both defendants, who said that they did not remember the incidents, were remanded till the afternoon. Lieut. I. C. Harris, of the Royal Ulster Rifles, was present in Court.

WORK RELIEF IN AMERICA

(Continued from Page 1)

anti-trust laws must and shall be vigorously enforced, there is nothing therein or in any other laws which should prohibit private business from working together to increase production and employment. Such efforts would indeed be directly opposite to a conspiracy for the restraint of trade.

President Roosevelt's message stated that there were at present about 5,300,000 families and unattached persons in need of some public assistance, of whom 3,800,000 were on the works' programme, and 1,500,000 on the local and State relief rolls.—Reuter.

SANCTIONS UNLIKELY

(Continued from Page 1)

cellor said, "He who is weak among the nations is more popular than he who is strong. In this conflict I might have said that we should ignore the alliance between France and Russia, but then the danger would have threatened the nation later, perhaps only in another generation.

"In signing the Locarno Pact, Germany renounced its military sovereignty over a territory containing almost a quarter of the whole German people, but even this did not prevent one Power from suddenly entering upon a new military alliance that upset the European equilibrium and completely changed the position of the honest partner to the Locarno Treaty.

"I believe that it will be clear to the other statesmen and peoples that a nation as unified as the German nation is to-day cannot be treated any longer in the way that it has for the last 15 years.

"The rest of the world must also recognize that the Treaty of Versailles is not only defunct because another regime is in power, but because it has to do with quite another people, a people of 68 millions, that offer the hand of reconciliation."—Trans-Ocean Service.

PROTEST BY ITALY

(Continued from Page 1)

Further large number of Abyssinian military leaders are said to have made their submission, among them being the former Governor of Amhara. Otherwise nothing of importance occurred on either front.—Trans-Ocean Service.



Miss Helen Knill, the popular lady hockey player, was married to Mr. D. L. Prophet of Messrs. Linstead and Davis at the Union Church yesterday. The bride is here seen with Pipe-Major Mackie. ("China Mail" photo).

HOME SOCCER

Liverpool Secure Home Points

YORK HELD BY SOUTHPORT

London, To-day.
Liverpool secured two valuable home points yesterday when they beat Leeds by the odd goal in three in the First Division of the English Football League.

Yesterday's results, as cabled by Reuter, were as follows:—

FIRST DIVISION	
Liverpool	2 Leeds
Cardiff	1 Brighton
Reading	2 Exeter
THIRD DIVISION (North)	
York	0 Southport
Lincoln	1 Hartlepool
SCOTTISH LEAGUE	
Rangers	3 Hibernian

RELAXATION OF TENSION

(Continued from Page 1)

MINISTERS MEET
Later: After the meeting of the Locarno Powers Mr. Anthony Eden, Mr. Ramsay MacDonald (Lord President of the Council), Mr. Neville Chamberlain (Chancellor of the Exchequer) and Lord Halifax (Lord Privy Seal) remained for an hour at the Foreign Office and examined the various texts, the main points of which, it is hoped, will be embodied in one draft so that agreement may be reached to-day. It is suggested that the League Council may be interrupted to allow a Locarno meeting before 1 p.m., when Mr. Flaminio will fly to Paris. If, as hoped, the final agreement is reached this morning, it will be submitted to the British and French Cabinets for approval.—Reuter.

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Marvellous Bar Work! Sensational Balancing!
A WONDERFUL ACT!
ON THE SCREEN
A TORNADO OF ACTION! A WHIRLWIND OF THRILLS!



Loge: 80 cts.; Back Circle: 50 cts.; Back Stalls: 40 cts.; Front Stalls: 30 cts.—Servicemen: 40 cts. to Dress Circle.

HOME RUGBY

Bristol And Bridgend Successful

London, To-day.
Two Rugby Union matches were played yesterday, resulting in Clifton losing at home to Bristol by 13 points to nil, while Bridgend, playing at home, beat Neath by 11 points to 5.

The match between the Royal Air Force and the Civil Service, at Hallow, was not played—Reuter.

TAIKOO BEAT EWO AT FOOTBALL

J. Hutchinson Scores Two Goals

Jardine's (Ewo) met with their first defeat in the inter-"Hong" series of friendly soccer games, when they succumbed to Butterfield and Swire's (Taikoo) by the odd goal in three yesterday on the Club ground.

In a very fast game Taikoo took the lead through J. Hutchinson, who increased their lead soon after with another snap goal. Jardine's retaliated and managed to score their only goal through Hopkins.

EXPENDITURE FROM NATIONAL FUNDS

Present Total Shows Big Increase

London, To-day.
In a Parliamentary reply yesterday, the Financial Secretary to the Treasury, Mr. W. S. Morrison, stated that total expenditure from national funds on the development of works, together with subsidies and financial assistance to all branches of industry and agriculture and for the purpose of slum clearance was approximately £128,500,000 in the present financial year, as compared with £107,000,000 last year.—British Wireless Service.

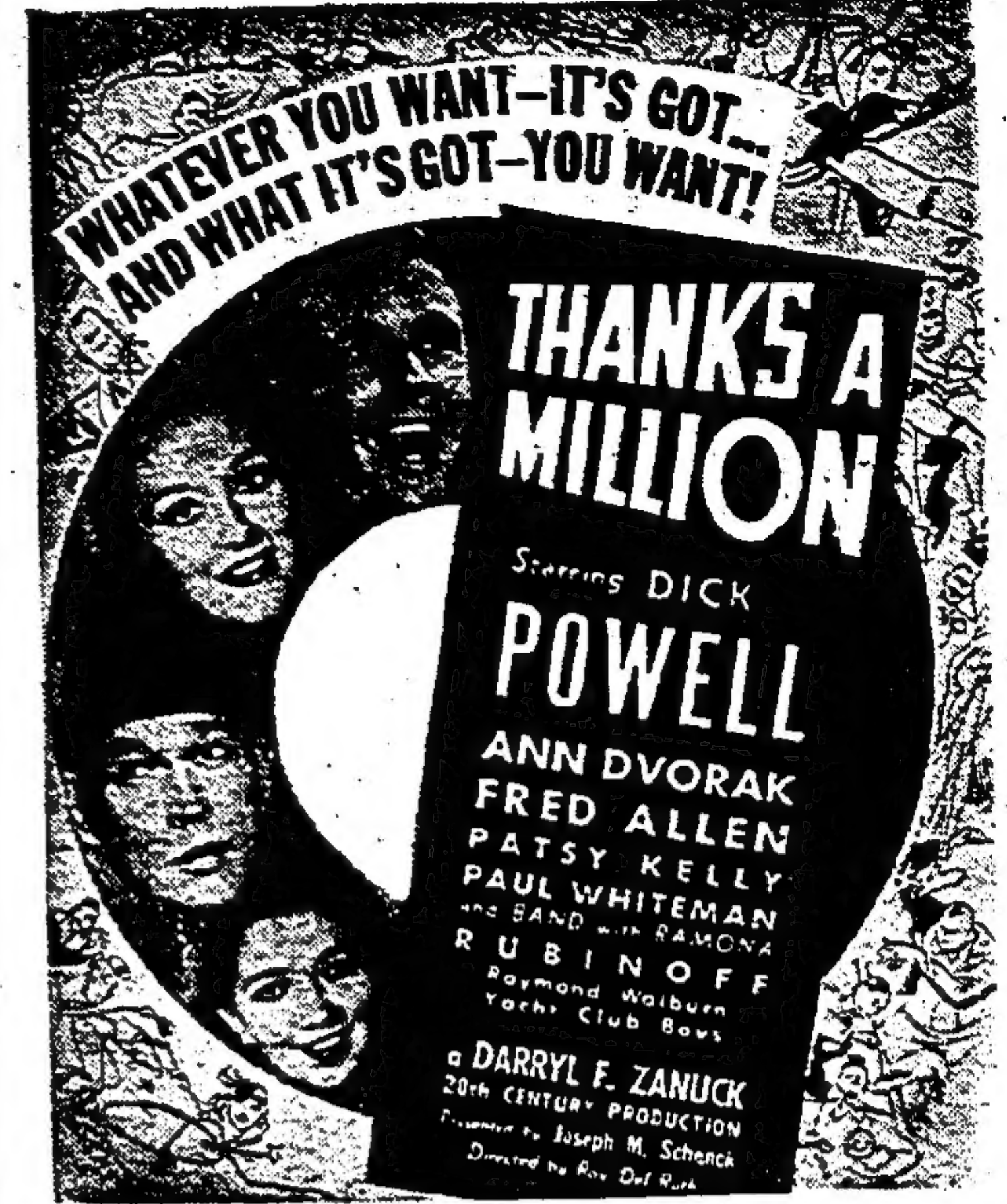
BRITISH NAVAL ESCORT FOR ART TREASURES

London, To-day. — The Parliamentary Secretary to the Admiralty, Lord Stanley, at the House of Commons question time yesterday, said that he hoped that the ship conveying back to China the art treasures on loan from the Chinese Government for the recent exhibition of Chinese art at Burlington House would be escorted by ships from the British Navy for most of the voyage.—British Wireless Service.

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MARCH

FRIDAY
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MARCH

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